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August 15, 2019

William S. Mayo, DO
President, Board of Trustees, American Osteopathic Association
American Osteopathic Association
142 E. Ontario St.
Chicago, IL 60611

Dear Dr. Mayo:

I am writing in response to your letter of May 29, 2019, on behalf of the American Osteopathic Association (AOA) regarding an update issued by some of Anthem, Inc.'s ("Anthem" or "the Company") affiliated health plans to impacted network providers related to evaluation and management (E/M) services billed with Current Procedural Terminology (CPT) Modifier 25. We appreciate the opportunity to provide additional clarification, as requested in your letter.

Anthem shares with the AOA the common goal of helping eliminate inappropriate reimbursement and helping identify where codes are commonly misused. At the outset, we underscore that the update in question is not a new reimbursement policy. And, to clarify any potential confusion, we also stress that the update is not the same as the Modifier 25 initiative that Anthem announced in February 2018 it would not pursue.

The purpose of this update is to avoid overpaying claims when Modifier 25 is used inappropriately to override claim edits, and prevent duplicate payment for the E/M service. If an impacted care provider believes a claim should be reprocessed, the provider can dispute the claim and Anthem will review submitted medical records for support of a significant and separately identifiable E/M service.

With respect to the clarification of terms that you requested in your letter of May 29, 2019, Anthem defines a 'recent' service as the procedure occurring within two months of the face-to-face service Anthem defines same/similar as having a primary diagnosis in the same family. As explained in the provider notification, Anthem will deny an E/M service billed with Modifier 25 (which overrides claim edits) on the day of a minor procedure or service when an E/M was also billed with the same or similar diagnosis within approximately the previous two months. We are happy to discuss in more detail at in-person meeting of your convenience.

Further, this update does not change the definition of Modifier 25 or Anthem's reimbursement policy on the appropriate use of that modifier. A provider may be reimbursed for Modifier 25 if there is a significant and separately identifiable E/M service. For example, if a provider performs a follow-up procedure to treat a primary diagnosis that was identified during a recent face-to-face visit, and encounters another medical

concern that is unrelated to the primary diagnosis for treatment during that procedure, it would be appropriate to bill Modifier 25.

Anthem appreciates the opportunity to maintain an open dialogue with the AOA, and we welcome the opportunity to answer any additional questions or concerns regarding this update. We look forward to discussing your concerns during an in-person meeting. Please direct your staff to contact Samuel Marchio, Regional Vice President of Federal Affairs at 202-628-7831 or via email at Samuel.Marchio@Anthem.com to coordinate.

Sincerely,

A handwritten signature in cursive script, appearing to read "Stephen G. Friedhoff".

Stephen G. Friedhoff, MD
Senior Vice President and
Chief Clinical Officer