

AMERICAN MEDICAL ASSOCIATION HOUSE OF DELEGATES

Resolution: 808  
(I-17)

Introduced by: American Academy of Dermatology, American Society for Dermatologic Surgery Association, American College of Mohs Surgery, American Society of Dermatopathology, Society for Investigative Dermatology, American College of Allergy, Asthma and Immunology, Florida

Subject: Opposition to Reduced Payment for the 25 Modifier

Referred to: Reference Committee J  
(Peter C. Amadio, MD, Chair)

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1 Whereas, Several insurers--including Independence Blue Cross, Blue Cross Blue Shield Rhode  
2 Island, Harvard Pilgrim Health Care, and Tufts Health Plan--have implemented policies that  
3 inappropriately reduce reimbursement for modifier 25; and  
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5 Whereas, Anthem announced it will implement the same policy in Kentucky, Ohio and  
6 Wisconsin in January of 2018; and  
7  
8 Whereas, When an Evaluation & Management (E/M) code with modifier 25 and a procedure  
9 code are billed by the same provider for the same date of service, these plans will only  
10 compensate the E/M service at 50 percent of the otherwise allowed amount; and  
11  
12 Whereas, The intent of modifier 25, according to Current Procedural Terminology (CPT)  
13 guidelines, is to describe a significant, separately identifiable, and medically necessary E/M  
14 service performed on the same day as a procedure, outside of the global fee concept; and  
15  
16 Whereas, Providing medically necessary, distinct services on the same date allows physicians  
17 to provide effective and efficient, high quality care, in many cases saving patients a return visit;  
18 and  
19  
20 Whereas, The AMA Relative Value Scale (RVS) Update Committee (RUC) already reduces the  
21 reimbursement for surgical codes that are typically reported with an E/M to account for any  
22 overlapping pre-and post-operative work; and  
23  
24 Whereas, By having an insurer impose a reduction on the E/M service, the insurer is in effect  
25 reimbursing both codes at a reduced rate; and  
26  
27 Whereas, If there is not a strong response from the House of Medicine the policy will likely  
28 spread to other insurers; and  
29  
30 Whereas, Increased uptake in this policy would lead to reimbursement below the cost of  
31 physician expense, patients incurring higher out of pocket costs due to follow up visit, and  
32 longer waits to see a specialist; therefore be it

1 RESOLVED, That our American Medical Association amend Policy D-70.971 by addition and  
2 deletion to read as follows:  
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4 **Uses and Abuses of CPT Modifier -25 D-70.971**

5 (1) Our AMA Private Sector Advocacy Group will continue to collect information on the use  
6 and acceptance of CPT modifiers, particularly modifier -25, and that it continue to advocate  
7 for the acceptance of modifiers and the appropriate alteration of payment based on CPT  
8 modifiers.

9 (2) The CPT Editorial Panel in coordination with the CPT/HCPAC Advisory Committee will  
10 continue to monitor the use and acceptance of CPT Modifiers by all payers and work to  
11 improve coding methods as appropriate.

12 (3) Our AMA will collect information on the use and acceptance of modifier -25 among state  
13 Medicaid plans and use this information to advocate for consistent acceptance and  
14 appropriate payment adjustment for modifier -25 across all Medicaid plans.

15 (4) Our AMA will encourage physicians to pursue, in their negotiations with third party  
16 payers, contract provisions that will require such payers to adhere to CPT rules concerning  
17 modifiers.

18 (5) Our AMA will include in its model managed care contract, provisions that will require  
19 managed care plans to adhere to CPT rules concerning modifiers and, in the case where a  
20 procedure is appropriately modified by a modifier – 25, require that both the procedure and  
21 evaluation and management are paid at 100% of the non-reduced, allowable payment rate.

22 (6) Our AMA will continue to educate physicians on the appropriate use of CPT rules  
23 concerning modifiers.

24 (7) Our AMA will actively work with third party payers to encourage their disclosure to  
25 physician providers any exceptions by those payers to CPT guidelines, rules and  
26 conventions.

27 (8) Our AMA will include in CPT educational publications (i.e. CPT Assistant) examples of  
28 commonly encountered situations where the -25 modifier would and would not apply.

29 (Modify Current HOD Policy)

Fiscal Note: Modest - between \$1,000 - \$5,000.

Received: 09/29/17

**RELEVANT AMA POLICY**

**Uses and Abuses of CPT Modifier -25 D-70.971**

(1) Our AMA Private Sector Advocacy Group will continue to collect information on the use and acceptance of CPT modifiers, particularly modifier -25, and that it continue to advocate for the acceptance of modifiers and the appropriate alteration of payment based on CPT modifiers.

(2) The CPT Editorial Panel in coordination with the CPT/HCPAC Advisory Committee will continue to monitor the use and acceptance of CPT Modifiers by all payers and work to improve coding methods as appropriate.

(3) Our AMA will collect information on the use and acceptance of modifier -25 among state Medicaid plans and use this information to advocate for consistent acceptance and appropriate payment adjustment for modifier -25 across all Medicaid plans.

(4) Our AMA will encourage physicians to pursue, in their negotiations with third party payers, contract provisions that will require such payers to adhere to CPT rules concerning modifiers.

(5) Our AMA will include in its model managed care contract, provisions that will require managed care plans to adhere to CPT rules concerning modifiers.

(6) Our AMA will continue to educate physicians on the appropriate use of CPT rules concerning modifiers.

(7) Our AMA will actively work with third party payers to encourage their disclosure to physician providers any exceptions by those payers to CPT guidelines, rules and conventions.

(8) Our AMA will include in CPT educational publications (i.e. CPT Assistant) examples of commonly encountered situations where the -25 modifier would and would not apply.

BOT Rep. 10, I-03 Reaffirmation A-10