

## **Modifier 25: Frequently asked questions**

These frequently asked questions (FAQs) were developed to answer questions about the updates to the AmeriHealth Claim Payment Policy #03.00.06n: Modifier 25: Significant, Separately Identifiable Evaluation and Management Service by the Same Physician or Other Qualified Health Care Professional on the Same Day of the Procedure or Other Service. As part of the updates, there are two scenarios outlined within the policy where a payment reduction of 50 percent will be applied to certain services when appropriately billed with Modifier 25.

*Note:* This document will be updated as additional information becomes available.

### **1. Why has AmeriHealth updated its policy on Modifier 25? (Revised 8/17/17)**

We at AmeriHealth are a steward of the health care dollars our members and customers entrust us to manage. As an organization navigating the current health care environment and operating in a high-cost market like southeastern Pennsylvania and New Jersey, we need to constantly evaluate our products, networks, and policies to be sure that our members remain at the center of all we do. Increasingly we are using best practice standards and industry benchmarks to identify where we are outliers in terms of cost of care and utilization. In some cases, where appropriate and as permitted, these evaluations uncover areas that need to be adjusted to ensure we are reimbursing professional providers at a competitive level within the market.

After thorough analysis of provider billing and payment patterns, Modifier 25 was identified as a policy that needed to be reassessed.

- The In comparison to Commercial benchmarks for the percentage of dollars paid on Modifier 25 claim lines in the Pennsylvania/New Jersey region, the percentage of dollars paid on AmeriHealth Modifier 25 claim lines is approximately 50 percent higher.<sup>1</sup>
- AmeriHealth utilization levels are notably higher than national utilization levels.<sup>1</sup>
- A number of other insurers have adjusted their reimbursement policies for Modifier 25.

### **2. What is the effective date of the changes to the Modifier 25 policy?**

The revised Claim Payment Policy #03.00.06n: Modifier 25: Significant, Separately Identifiable Evaluation and Management Service by the Same Physician on the Day of a Procedure or Other Service is effective for claims submitted with a date of service on or after August 1, 2017.

### **3. Who will be affected by changes to the Modifier 25 policy?**

The changes affect AmeriHealth-participating professional providers. The changes to this policy affect commercial (fully insured and self-funded) HMO, POS, EPO, and PPO lines of business.

#### **4. How have providers been notified of the changes to the Modifier 25 policy?**

- On May 1, 2017, policy changes were announced to providers via:
  - Medical Policy Portal at [www.amerhealth.com/medpolicy](http://www.amerhealth.com/medpolicy);
  - *Partners in Health Update*<sup>SM</sup>, our online provider newsletter at [www.amerhealth.com/pnc](http://www.amerhealth.com/pnc);
  - AmeriHealth NaviNet<sup>®</sup> Plan Central in a message containing a summary of the changes to the policy and a link to the Medical Policy Portal.
- On May 9, 2017, a clarification to the policy notification was published on the Medical Policy Portal with a list of services not considered minor procedures and/or to be part of this policy.
- On July 24, 2017, clarifications to the policy notification were published via:
  - Medical Policy Portal;
  - *Partners in Health Update*;
  - AmeriHealth NaviNet Plan Central in a message containing a summary of updates/clarifications to the policy and a link to the Medical Policy Portal.

#### **5. Can I dispute the Modifier 25 policy change?**

This is a claim payment policy and assumes services have been documented and billed in a manner that is consistent with coding guidelines. Therefore, it is not eligible for dispute, review, or appeal. Should the claim meet the coding combination scenarios outlined in the policy, the Modifier 25 evaluation and management (E&M) code will be reduced by 50 percent. We consider this as payment in full for the service and not eligible for further review.

#### **6. How is AmeriHealth classifying “minor” procedures?**

As stated in the policy, a minor procedure has a zero-day or ten-day post-operative period. A complete list of impacted codes identifying a minor procedure can be found in [Attachment A](#) of the policy.

#### **7. What E&M services are included in this policy?**

The E&M services that are included in this policy are listed in Attachments A and B of the policy.

#### **8. Is it appropriate for providers to instruct a patient to return for a second visit for services?**

Unless medically necessary, providers should treat members on the same day for both services. Under the terms of their Professional Provider Agreement (Agreement), providers shall not discriminate against any member on the basis of the member’s coverage source or amount of payment. AmeriHealth will consider it a breach of your Agreement if you require AmeriHealth members to return for services that can be performed on the same date of service and do not require your patients with other coverage to return for services. We do not expect that you will modify your approach to delivering services in a way that will impact patient care or satisfaction. We will review and audit providers who ask patients to return for second visits.

**9. In some cases, the payment for E&M services that are being reduced are more involved and complex than the original minor procedure/preventive E&M service. In these cases, how can you justify paying less than half of the overall claim?**

The original minor procedure/preventive E&M service is compensated according to the applicable contracted fee schedule. The appropriate level E&M code should be reported based on the level of services provided consistent with CPT<sup>®</sup> narrative. Because there is an overlap in the location, services provided, and resources utilized, we believe our position is appropriate.

**10. Does AmeriHealth consider vaccines and/or administrative fees to be “minor procedures” as indicated in the policy?**

Services without a zero-day or ten-day post-operative period (e.g., immunizations and vaccines, and their associated administration services, as well as EKGs and pulmonary function testing) are not considered minor procedures and are **not** part of the 50 percent reduction of the Modifier 25 policy.

A complete list of impacted codes identifying a minor procedure can be found in [Attachment A](#) of the policy.

**11. How will E&M services billed in conjunction with other services that are not on the CMS Minor Procedure listing be reimbursed?**

If the E&M service is not listed on the tables set forth in Attachment A or B to the AmeriHealth policy, the payment reduction set forth in this policy will not apply.

**12. How will this impact my practice? (Added 8/3/17)**

The impact that the Modifier 25 policy changes will have on your practice varies based on your specialty and the mix of services you provide. Please note that these are focused changes, with the majority of E&M service codes — particularly those related to routine care — remaining unchanged. Overall, the changes impact approximately 6 percent of AmeriHealth E&M claims. We estimate the average impact across our professional provider network to be approximately 1 to 2 percent of a provider’s total remittance for AmeriHealth professional claims.

A complete list of impacted codes can be found in Attachments A and B of the [claim payment policy](#).

**13. Will application of the updated Modifier 25 policy to an E&M service performed on the same day as a minor procedure impact the collection of the full copayment amount listed on the member’s ID card? (Added 8/3/17)**

No, there should be no impact to the collection of the member’s full copayment amount listed on his or her ID card.

**14. Does this change affect AmeriHealth Administrators claims? (Added 8/3/17)**

Please contact AmeriHealth Administrators at [provrelations@ahatpa.com](mailto:provrelations@ahatpa.com) or [1-800-841-5328](tel:1-800-841-5328) to determine any impacts from the Modifier 25 policy changes.

**15. Based on my Provider EOB, has the Modifier 25 reduction been taken from the wrong claim line? (Added 9/25/17)**

In some instances, it may appear on your Provider Explanation of Benefits (EOB) as if the Modifier 25 payment reduction has been applied to the wrong claim line. This is not the case.

Due to the coding logic in our claims processing system, the 50 percent reduction may be found on the E&M service, minor procedure, or preventive service line of your Provider EOB. Please note, however, that the reduction will always equal 50 percent of the E&M service billed, in accordance with the policy. While the reduction may show on a claim line other than the E&M service, the reduction has been applied correctly.

**For more information**

Please refer to the Medical Policy Portal at [www.amerihealth.com/medpolicy](http://www.amerihealth.com/medpolicy) to view the most recent version of the policy as it will supersede the information in this FAQ.

If you cannot find the information you are looking for here and have further questions, please email us at [modifier25providerquestions@amerihealth.com](mailto:modifier25providerquestions@amerihealth.com). Be sure to include your name, contact number, and provider ID number in your email.

<sup>1</sup>AmeriHealth claim data 2015, Truven database 2015 comparison

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