

May 24, 2018

Mike Munoz
Market President
AmeriHealth New Jersey
Matrix Corporate Office Park
259 Prospect Plains Road, Building M
Cranbury, NJ 08512

Daniel J. Hilferty
President and CEO
Independence Blue Cross
1901 Market Street
Philadelphia, PA 19103-1480

Sent via certified mail.

Re: AmeriHealth Policy #03.00.06n: Modifier 25

Dear Mr. Hilferty and Mr. Munoz:

The staff of the Medical Society of New Jersey spoke with Dr. Frank Urbano of AmeriHealth NJ and Dr. Virginia Calega of Independence Blue Cross (IBC) on November 2, 2017. We discussed multiple concerns regarding the above named policy that were outlined in our September 15, 2017 letter, attached. We continue to have concerns about this policy change. The following concerns are shared by the undersigned medical and specialty societies.

Benchmark Data

AmeriHealth previously stated that Truven Health Analytics showed that the number of AmeriHealth payments for claim lines including modifier 25 in New Jersey were 10% higher than the Truven benchmark and that this led to the adoption of the policy drastically reducing payment for certain evaluation and management (E&M) codes appended with modifier 25. We again ask that AmeriHealth/ IBC share this data, so that we can better understand the rationale behind the implementation of this policy.

Comparable Policies/Value-Based Partnerships

Anthem Inc., also part of the Blue Cross Blue Shield Association, recently rescinded its planned modifier 25 policy change and subsequently announced its commitment to working with organized medicine towards the common goals of:

- Enhancing consumer and patient health care literacy.
- Developing and implementing value-based payment models for primary and specialty care physicians.
- Improving access to timely, actionable data to enhance patient care.
- Streamlining or eliminating low-value prior-authorization requirements.

(See: <https://www.ama-assn.org/sites/default/files/media-browser/public/government/advocacy/Anthem-Ltr-to-AMA-on-Mod-25-022218-FINAL.PDF> and <https://www.ama-assn.org/anthem-inc-ama-collab-create-positive-change-health-system>)

We hope that AmeriHealth and IBC will share in this commitment to working together.

Service Overlap

We believe that AmeriHealth/IBC is misinterpreting the valuation of E&M codes appended with modifier 25. The AMA Relative Value Scale Update Committee (RUC) already takes into account potential overlap when valuing codes that are typically billed with an E&M. Thus, the AmeriHealth/ IBC policy is creating a further reduction. This policy penalizes practices providing the highest value care. We hope that AmeriHealth and IBC will take this into consideration and reevaluate its policy.

Conclusion

We continue to believe that it is arbitrary for AmeriHealth/IBC to reduce payment by 50% to all physicians, including its participating physicians, even if their use of modifier 25 is absolutely correct and the services rendered are medically necessary.

We ask that AmeriHealth/IBC:

- Provide the data that caused AmeriHealth/IBC to conclude that modifier 25 is overused;
- Explain why the reduction amount of 50% was chosen, other than the fact that other plans have chosen that amount;
- Consider how our organizations may work together towards the betterment of the healthcare system; and
- Schedule an in-person meeting between AmeriHealth, IBC and the undersigned medical and specialty societies to further address concerns.

Thank you for your attention to this matter.

Medical Society of New Jersey
Dermatological Society of New Jersey
Infectious Diseases Society of New Jersey
Neurological Association of New Jersey
New Jersey Academy of Family Physicians
New Jersey Academy of Ophthalmology
New Jersey Academy of Otolaryngology & Head and Neck Surgery
New Jersey Association of Ambulatory Surgery Centers
New Jersey Association of Osteopathic Physicians and Surgeons
New Jersey Chapter, American Academy of Pediatrics
New Jersey Chapter, American College of Surgeons
New Jersey Chapter, American Society for Metabolic and Bariatric Surgery
New Jersey Gastroenterological and Endoscopy Society
New Jersey Obstetrical & Gynecological Society
New Jersey Orthopaedic Society
New Jersey Podiatric Medical Society
New Jersey Rheumatology Association
New Jersey Section of American College of Obstetricians and Gynecologists
New Jersey Society of Interventional Pain Physicians
New Jersey Society of Physical Medicine and Rehabilitation
New Jersey Society of Thoracic Surgeons
New Jersey State Society of Anesthesiologists
Oncology Society of New Jersey
Radiological Society of New Jersey

Pennsylvania Medical Society
Pennsylvania Academy of Dermatology and Dermatologic Surgery
Pennsylvania Academy of Ophthalmology
Pennsylvania Academy of Otolaryngology – Head and Neck Surgery
Pennsylvania Allergy and Asthma Association
Pennsylvania Neurological Society
Pennsylvania Podiatric Medical Association
Robert H. Ivy Society

American Academy of Dermatology
American Academy of Family Physicians
American Academy of Neurology
American Academy of Otolaryngic Allergy
American Academy of Otolaryngology-Head and Neck Surgery
American Academy of Physical Medicine and Rehabilitation
American Association of Neurological Surgeons and Congress of Neurological Surgeons
American College of Gastroenterology
American College of Radiology
American College of Rheumatology
American College of Surgeons
American Gastroenterological Association
American Podiatric Medical Association
American Society of Retina Specialists
Society for Vascular Surgery

Attachments: 09/15/17 MSNJ Letter to AmeriHealth
02/23/18 Anthem Letter to AMA
03/02/18 Anthem & AMA Joint Statement

Copy: Dr. Frank L. Urbano AmeriHealth NJ
Dr. Virginia Calega, IBC
American Medical Association
New Jersey Department of Banking & Insurance