AMA Considers Taking Action Against Anthem

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The American Medical Association (AMA), at its recent interim annual meeting, took a strong stand against Anthem, one of the largest health insurers. According to the AMA, Anthem plans to reduce physicians' reimbursement in eight states when they bill for a procedure and an evaluation-and-management (E/M) visit on the same day.

A spokesman told *Medscape Medical News* that the association is considering the steps recommended by its members to stop Anthem from moving forward.

According to a news release, physicians at the AMA meeting adopted a policy to "aggressively and immediately advocate through any legal means possible, including direct payer negotiations, regulations, legislation, or litigation, to ensure when an evaluation and management (E&M) code is appropriately reported with a modifier 25, that both the procedure and E&M codes are paid at the non-reduced, allowable payment rate."

AMA President David O. Barbe, MD, said, "The AMA will work aggressively to prevent implementation of unfair health insurer rules that are detrimental to physicians who are trying to practice medicine according to the needs of their patients. Health insurers that deny E/M services associated with procedures performed on the same day are needlessly forcing patients into multiple visits and delaying the provision of necessary care."

The new Anthem policy will go into effect January 1 in California, Connecticut, Kentucky, Maine, Nevada, New Hampshire, Ohio, and Wisconsin, the AMA said. In addition, Anthem's Missouri plan will implement the policy on February 1.

Anthem is not the only insurer stirring the pot. According to an AMA spokesman, the association has heard from colleagues in state medical and specialty societies that several other plans have reduced payments by ignoring modifier 25s. Among them are Harvard Pilgrim Health Care (Massachusetts), Tufts Health Plan (Massachusetts), Blue Cross Blue Shield

Rhode Island, Independence Blue Cross (Pennsylvania), AmeriHealth New Jersey, and Regence Blue Shield Idaho.

According to the current procedural technology (CPT) description, the spokesman said, modifier 25 provides the means to report a significant, separately identifiable E/M service by the same physician on the same day of a procedure or other service. There is no requirement that the E/M service and procedure be for different conditions/diagnoses; the E/M code must be just for a significant, separately identifiable service, as reflected in documentation. Nevertheless, "health insurers frequently ignore modifier 25 and reimburse for just one service — typically the service with the lowest cost," said the news release.

The AMA and other medical societies have long battled the big insurance companies over their payment policies. Associations that represented 950,000 physicians brought two massive class action suits in 2002 and 2004, alleging that the plans violated federal racketeering laws and state laws by systematically reducing, denying, and delaying payments to doctors. The insurers eventually settled these suits with big payouts to doctors. Among the plans that settled were Aetna, for $470 million; 35 Blue Cross Blue Shield plans and the Blue Cross Blue Shield Association, $128 million; and Wellpoint (now Anthem), $498 million.

Medscape Medical News couldn't determine at press time whether the modifier 25 was mentioned in these suits. Whether it was included or not, Anthem and the other plans appear to be taking a big risk by resuming their efforts to reduce physician payments through billing policies.
Medscape Medical News reached out to Anthem for comment but, at press time, the company had no comment on the AMA's resolution or its new payment policy.

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