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Via email to daniel.meltzer@regence.com; tracy.muday@regence.com;
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RE: Regence Blue Cross Blue Shield Modifier 25 Reimbursement policy update

The American Academy of Dermatology Association (AADA) represents over 17,500 dermatologists nationwide. Together with the undersigned state dermatology societies, we call upon Regence Blue Cross Blue Shield to rescind its Modifier 25 payment reduction policy scheduled to take effect March 1, 2025 (see [Modifier 25: Significant, Separately Identifiable Service](#)).

The AADA is committed to excellence in the medical and surgical treatment of skin disease; advocating for high standards in clinical practice, education, and research in dermatology and dermatopathology; and driving continuous improvement in patient care and outcomes while reducing the burden of disease. We are concerned that the Regence BCBS Modifier 25 policy will negatively impact access and disrupt optimal care for patients by improperly reducing appropriate payment and contradicting established coding principles when a physician addresses multiple patient needs in a single encounter. Specifically, this policy will reduce payment for reported Evaluation and Management (E/M) services appended with Modifier 25 when reported in conjunction with a procedure having a 0-10 day post-operative period.

Performance of a medically necessary procedure on the same day as an Evaluation and Management (E/M) service is generally done to facilitate a prompt diagnosis or streamline treatment of a complex condition. Dermatologists, as well as other specialists, seek to provide patients effective and efficient high-quality care. Providing medically necessary distinct services on the same date can save patients a return visit, thereby avoiding unnecessary delays in care, as well as increased costs due to delays in care. Therefore, such separate services should be reimbursed fully, appropriately, and in accordance with established coding conventions and guidelines, whether provided on the same date or different dates.

The justification Regence BCBS has given for this policy is that there is overlap in expenses for E/M services and procedures. While MedPAC and Center for Medicare and Medicaid Services (CMS) in its 2019 proposed rule made comments on the perception of overlap, CMS decided *not to finalize the proposal to apply a multiple procedure payment reduction (MPPR) to a separately identifiable office/outpatient E/M visit furnished on the same day as a global procedure*. Hence, any assumption that this policy follows CMS is not accurate.

Further, in its evaluation of the overlap between the E/M and procedures, the AMA/Specialty Society RVS Update Committee (RUC) removes all known direct practice expense overlap and assumes time efficiencies to pre- and post-procedure time. The physician relative value units (RVUs), the practice expense RVUs, and the malpractice RVUs for the E/M services along with the dermatology procedure codes were purposely structured to ensure there is no overlap. Further reductions by Regence BCBS are not only unnecessary but also only serve to arbitrarily reduce payment further. In this regard, we request that Regence BCBS provide data on purported overlap that supports a 50% reduction in payment.

The AADA and the state dermatology societies in Idaho, Oregon and Washington urges Regence BCBS to rescind implementation of this payment reduction policy, which will negatively impact access and patient care by physicians, who want to provide efficient and timely care to their patients. We welcome the opportunity to work with you to address any concerns you may have regarding E/M services reported with a procedure. Please contact Lou Terranova, Associate Director for Practice and Payment Policy at 202- 340-2875 or ltterranova@aad.org to follow up on our request and/or set up a mutually agreeable time to meet and discuss these issues.

We appreciate the opportunity to work with Regence BCBS to ensure patients' access to high quality dermatologic care.

Sincerely,

Seemal R. Desai MD FAAD

Seemal R. Desai, MD, FAAD

President, American Academy of Dermatology / Association



MCR

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/s/ Meredith Sheedy, MD, FAAD

Meredith Sheedy, MD, FAAD

President, Washington State Dermatology Association

