Practice Management Center

Modifier 25

An Educational Tool

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American Academy of Dermatology Association

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Purpose of Modifier 25

Modifier 25 is used to report an evaluation and management (E/M) service performed on the same day as a minor, 0- or 10-day global period, procedure. In dermatology, it is not unusual for a diagnostic or therapeutic procedure to be performed on the same day as an unrelated E/M service. The appropriate use and application of Modifier 25 is essential to reporting efficient, patient-centered dermatologic practice.

CPT states that Modifier 25 may be used in cases where the patient's condition requires a significant, separately identifiable E/M service by the same physician or other qualified healthcare professional, on the same day as a procedure or other service. Modifier 25 is used when the service(s) provided are beyond the usual preoperative and postoperative care associated with a procedure performed on the same day. In other words, the E/M service is outside of the care associated with the procedure performed. The most recent guidance from the Centers for Medicare and Medicaid Services (CMS) on this topic states:

> ***"Since minor surgical procedures and XXX procedures include pre-procedure, intra-procedure, and post-procedure work inherent in the procedure, the provider should not report an E/M service for this work. Furthermore, Medicare Global Surgery rules prevent the reporting of a separate E/M service for the work associated with the decision to perform a minor surgical procedure whether the patient is a new or established patient."***
> (Source: General correct coding policies for national correct coding initiative policy manual for Medicare services
> Revision Date (Medicare): 1/1/2019 Retrieved from:
> https://www.cms.gov/Medicare/Coding/NationalCorrectCodInitEd/NCCI-Manual-Archive)

This means that: 1) E/M services related to a minor surgical procedure done on the same day are included in the payment for the procedure; and 2) that the decision to perform a minor surgical procedure is included in the payment for the minor surgical procedure and should not be reported separately as an E/M service. However, CMS also states that a significant and separately identifiable E/M service unrelated to the evaluation inherent to the minor surgical procedure is separately reportable with Modifier 25. CMS also specifies that the E/M service and the minor surgical procedure do not require different diagnoses.

Private insurers and specific Medicare carriers may have more or less restrictive guidelines regarding Modifier 25. Individual Medicare Administrative Contractors (MACs) may or may not require appending Modifier 25 to new patient E/M codes.

The American Academy of Dermatology (AAD) supports the proper use of Modifier 25 and is strongly opposed to any restriction or devaluation of appropriately documented E/M services reported with Modifier 25.

Furthermore, dermatology practices should be aware of their Modifier 25 usage patterns. Variations in patient mix and practice patterns may lead to variations in utilization with some physicians appropriately using Modifier 25 more or less frequently. That said, if a dermatologist's or QHP's usage significantly differentiates them from their peers, even if still constituting appropriate usage, that provider may be considered an outlier by payors and be subject to time consuming audits.

Effective January 1, 2021 the level of E/M service will be based either on medical decision-making (MDM) alone or total time spent by the provider with the patient on the day of the encounter.

Minor procedure global package

- Documentation must clearly indicate and substantiate the relevant criteria for the E/M service to be reported. Documentation should reflect that on the day of the procedure, the patient's condition required a significant, separately identifiable E/M service, above and beyond the usual pre- and post-operative care associated with the procedure or service performed.
    - Pre and post-operative service typically associated with the procedure includes:
        - Review of relevant past medical history
        - Assessment of the lesion or problem area
        - Formulation and explanation of the clinical diagnosis
        - Review and explanation of the procedure
        - Discussion of alternative treatments / diagnostic options
        - Informed consent
        - Postoperative care instructions
        - Discussion of any further treatment and follow up after the procedure
- Modifier 25 cannot be used to report an E/M service that resulted solely in a decision to perform surgery on the same date of service.
- The modifier must be appended to the appropriate level of E/M service (99202-99499, E/M all locations).
- The procedure performed has a global period of '0' or '10' days;

Appropriate Modifier 25 Clinical Scenarios

The following clinical scenarios are offered as select examples of appropriate usage of Modifier 25. These examples represent some common coding scenarios, but are not exhaustive, and other correct coding scenarios exist.

It is also essential that documentation adequately supports the level of "significant and separately identifiable E/M service" to which Modifier 25 is attached. When reporting an E/M with a minor procedure, it is important to keep in mind that obtaining history, review of related system examination of the treatment site and decision to perform minor surgery on the same date of service is not separately reported as an E/M. This information should be excluded in the determination of what level of E/M code is separately reportable with the minor procedure.

Multiple Diagnoses

In most circumstances, evaluation and management services with Modifier 25 appended will be reported with diagnosis codes distinct for those associated with the procedure.

Wart and Lyme Tick Bite

13-year-old male new patient complains of three-day history of expanding red ring on back and a painful growth on the index finger.
Exam reveals an erythematous infiltrated annular patch with small central punctate ecchymosis on the left lower back. There is also a verrucous papule on the right index finger.

The patient and mother are advised that the spot on the back is concerning for early Lyme disease. Appropriate antibiotics are prescribed. Lyme disease and tick bite education provided.

The clinical diagnosis of inflamed verruca vulgaris is made treatment options are discussed. Informed consent is obtained for treatment of the wart, and the lesion is destroyed with liquid nitrogen.

Diagnoses

Insect bite, S20.462A
Lyme Disease, A69.20
Wart, B07.8

Claim Lines

992xx-25 with Dx code S20.462A, A69.20
17110 with Dx code B07.8

Rationale

Diagnosis and treatment of the patient's Lyme disease is clearly separate and distinct from the treatment of the wart.

Multiple Skin Lesion Complaints with Procedure

New patient presents with biopsy proven squamous cell carcinoma in-situ (SCCIS) on the right shoulder diagnosed by a primary care provider. The lesion started as a scratch that never healed. It was getting bigger and occasionally bleeding. There was no prior treatment. The patient was also concerned about dark spots on trunk and face that have been getting bigger and more numerous for a few years." The patient also complains of numerous crusty, itchy growths on the back that have been enlarging over the last year.

Exam of the back, chest, arms, face and neck is performed, and multiple pigmented macules are noted on the sun exposed areas. The back has 4 hyperkeratotic brown papules. The right shoulder has a 1.3 cm erythematous scaly plaque with a well healed biopsy site.

Discussion of the nature of the SCCIS condition, risk factors and management options: topical 5-fluorouracil or imiquimod creams, electrodesiccation and curettage (ED&C), and traditional surgical excision. The patient elects to treat the SCCIS with ED&C, which can be performed that day. Solar lentigines on the face, neck, trunk and arms are diagnosed. The patient is advised of the benign nature of the lentigines, and sun protection is reviewed. The diagnosis of seborrheic keratosis on the back is made, and the pathophysiology of these benign lesions are discussed.

Diagnoses

SCCIS, D04.61
Solar Lentigines, L81.4
Seborrheic Keratosis, L82.1

Claim Lines

992xx-25 with Dx code L81.4, L82.1
17262 with Dx code D04.61

Rationale

The evaluation and management of the lentigines and seborrheic keratoses associated with patient complaints are separate and distinct from the procedure specific evaluation of the skin cancer on the shoulder.

Acne and Wart Destruction

Patient complains of zits and blackheads on the face previously treated with over-the-counter medications without effect.

The patient also complains of wart like lesions on the trunk that are spreading. Exam reveals numerous inflammatory papules and comedones over the face as well as umbilicated skin color papules on the trunk.

The diagnosis of facial, mixed inflammatory / comedonal acne is made. The pathophysiology of acne is discussed, and a regimen of low-dose oral antibiotics and topical retinoid is prescribed. The diagnosis of molluscum on the trunk is made. The infectious pathophysiology and treatment options for this disease process are discussed. The lesions are destroyed by curettage.

Diagnoses

Acne Vulgaris, L70.0
Molluscum Contagiosum, B08.1

Claim Lines

992xx-25 with Dx code L70.0
17110 with Dx code B08.1

Rationale

The evaluation and management of the acne with patient complaints are separate and distinct from the destruction of molluscum on the trunk.

Single Diagnosis:
National Correct Coding Policy Manual For Part B Medicare Carriers states: A significant and separately identifiable E/M service unrelated to the decision to perform the minor surgical procedure is separately reportable with Modifier 25. The E/M service and minor surgical procedure do not require different diagnoses.

Actinic Keratoses treated with cryosurgery and topical chemotherapy.
New patient complains of numerous rough bumps on the scalp and forehead, nose, cheeks and ears. Lesions are tender and itchy. Lesions are progressive over several years and have not been treated previously. Patient does not use sunscreen. There are no other skin concerns.

Exam reveals numerous gritty erythematous papules on the scalp and forehead, nose, cheeks and ears and also reveals three hypertrophic keratotic papules on the dorsal hands.

After discussion of treatment options, topical 5-Fluorouracil was prescribed for actinic keratosis (AK's) on the scalp and face, daily for 21 days. The treatment with topical therapy was extensively discussed including the anticipated inflammation, erythema, pain and itching. Three hypertrophic AK's on the hands are treated with cryosurgery.

Diagnoses
Actinic Keratoses, L57.0

Claim Lines
992xx-25 with Dx code L57.0
17000 and 17003 x 2 units with Dx code L57.0

Rationale
The evaluation and management of actinic keratoses (which are separate from the lesions undergoing cryosurgical destruction) with topical medications is separate and distinct from procedure as described. The E/M service with Modifier 25 is reportable.

Note: Although criteria for separate E/M reporting are met, the claim adjudication should be closely monitored for possible denial of the E/M service and should be appealed if necessary.

Rash with Biopsy and Treatment/Labs

A new 80-year-old female patient presents with a 2-month history of pruritic and tender, tense blisters and erosions as well as urticarial plaques on the trunk and extremities. A personal history reveals no associated organ system disease, and a family history does not reveal autoimmune disease. A complete skin examination, evaluation of eye and mouth mucosae, and palpation of lymph node basins is done.

Discussed potential diagnoses. Tangential skin biopsy is performed on the left upper extremity to aid in diagnosis. Baseline blood work is ordered including complete blood cell count, renal and liver function tests. The patient is started on low dose prednisone to start healing of bullae.

Diagnoses

Bullous Dermatosis (suspect bullous pemphigoid), L13.9

Claim Lines

9921x-25 with Dx code L13.9
11102 with Dx code L13.9

Rationale

Although making a clinical diagnosis is included in the global package for the biopsy codes, the evaluation and management consisting of ordering lab work and starting a new prescription medication creates a distinct E/M beyond the usual preoperative and postoperative care associated with a procedure.

Psoriasis and Intralesional Kenalog

35-year-old male with generalized psoriasis treated with ustekinumab, returns for follow up with the history that his condition has improved but that there are resistant plaques on the elbows and knees. He is tolerating the ustekinumab well without rashes, fevers, infections, fatigue or neurologic changes.

A full body exam documents the skin findings on the torso and extremities including the presence of thick erythematous scaly plaques on the elbows and knees. There is no evidence of arthritis noted on exam.

The patient's planned schedule and dose of biologic injections is reviewed as well as the patient's topical medication regimen. Prescriptions for ustekinumab and topical steroids are prepared. The risks of ustekinumab and continued topical steroid use were reviewed. A tuberculosis specific quantiferon gold lab test is ordered. The four recalcitrant lesions are injected with intralesional steroids.

Diagnoses

Psoriasis, L40.0

Claim Lines

992xx-25 with Dx code L40.0
11900 with Dx code L40.0
J3301 with Dx code L40.0

Rationale

While the evaluation and management of the recalcitrant psoriatic lesions is included in the global package for the intralesional injection codes, the management of biologic and topical medications and ordering of lab tests is clearly separate and distinct.

Atopic Dermatitis and Phototherapy

A patient with severe atopic dermatitis is undergoing ultraviolet B phototherapy. By protocol, the physician evaluates the patient after every 10 treatments. The physician assesses the patient response to ultraviolet therapy, adjust the dose and frequency of treatment, and evaluate the patient's topical medication regimen

Diagnoses

Atopic Dermatitis, L20.9

Claim Lines

992xx-25 with Dx code L20.9
96900 with Dx code L20.9

Rationale

The CPT codes for phototherapy have no embedded physician work. The global package for these codes includes evaluation by a nurse. However, any significant physician evaluation of the patient whether related to the disease process treated by phototherapy or other disease process is not included in the phototherapy codes and is reportable.

Inappropriate Modifier 25 Clinical Scenarios

BCC Biopsy

39-year-old new patient presents with a slowly enlarging lesion on the tip of the nose for 6 months, with a history of bleeding after washing**.** She has used daily facial moisturizer/sunblock for the past year. The lesion has not been treated. She denies allergies and has no other skin concerns. Her father has had 2 basal cell cancers removed.

Exam of the face, neck, torso, arms and legs shows Type I skin with significant photodamage and a sclerotic, eroded pink papule on the nasal tip. No other suspicious lesions seen.

A tangential skin biopsy of the nasal lesion is performed. Brochure on basal cell cancer is given. Treatment options for basal cell carcinoma are discussed including ED&C, excision, Mohs surgery and radiation therapy. Sun protective measures are reviewed.

Diagnoses

Neoplasm of Uncertain Behavior, D48.5

Claim Lines

11102 with Dx code D48.5

Rationale

Making a clinical diagnosis and discussion of possible treatment options depending on the histologic report is inclusive to the biopsy global package.

NCCI policy manual prevents the reporting of a separate E/M service for the work associated with the decision to perform a same day minor surgical procedure whether the patient is a new or established patient. See Medicare Claims Processing Manual Chapter 12, Section 40.2.A.4 - E/M Service Resulting in the Initial Decision to Perform.

Rash and Biopsy without Treatment

A patient presents with an itchy burning rash with bright erythema and scaling over the entire body with thickening of the palms and islands of sparing The physician is highly suspicious for pityriasis rubra pilaris and discusses this diagnosis for the patient including treatment options. A punch biopsy is performed to confirm the diagnosis.

Diagnoses

Dermatitis, unspecified, L30.9

Claim Lines

11104 with Dx code L30.9

Rationale

Making a clinical diagnosis and discussion of possible treatment options depending on the histologic report is inclusive to the biopsy global package. NCCI policy manual prevents the reporting of a separate E/M service for the work associated with the decision to perform a same day minor surgical procedure whether the patient is a new or established patient. See Medicare Claims

Processing Manual Chapter 12, Section 40.2.A.4 - E/M Service Resulting in the Initial Decision to Perform.

Mohs Consult with Mohs and Intermediate Linear Closure

A patient presents with a biopsy proven ill-defined infiltrative basal cell carcinoma of the central cheek for consultation for Mohs surgery. During the visit, the diagnosis of basal cell carcinoma is discussed at length including treatment options, scarring risks, recurrence risks and potential complications. It is decided to proceed with Mohs surgery which is performed on an unplanned basis that day. A single stage of Mohs surgery is required for histologic clearance and an intermediate linear closure with suture line length of 3 cm is performed.

Diagnoses

Basal cell carcinoma face, C44.319

Claim Lines

17311 with Dx code C44.319
12052 with Dx code C44.319

Rationale

The evaluation and explanation of a disease process and all portions of the informed consent including treatment options and discussion of risks and benefits are included in the global package for minor procedures such as Mohs surgery and linear closures. Only the procedure is reportable in this example.

Biopsy and Incidental Findings

A patient presents with a nonhealing lesion on the nose. The patient voices no other complaints or concerns. During examination of the basal cell carcinoma on the nose, the dermatologist diagnoses a number of lentigos and solar damage on the forehead. Patient is told of these lesions and the benign nature is discussed. A tangential biopsy is performed of the nose lesion.

Diagnoses

Neoplasm of Uncertain Behavior, D48.5

Claim Lines

11102 with Dx code D48.5

Rationale

Clearly, lesions other than the one undergoing biopsy are diagnosed during this encounter. However, because they are discovered incidentally, (not in response to a patient complaint), the evaluation and management of the lentigos should not be reported.

Alopecia Areata and Repeated Intralesional Kenalog

A patient with alopecia areata has been undergoing scheduled intralesional Kenalog injections to aid in the regrowth of his hair. With each visit for this problem, the dermatologist evaluates the patient for hair regrowth, atrophy, and new lesions as well as comes up with a treatment regimen for that day. A customized regimen of steroid volume, concentration, number of injections and area treatment is recommended. The injections for alopecia areata are then performed.

Diagnoses

Alopecia Areata, L63.9

Claim Lines

11900 with Dx code L63.9
J3301 with Dx code L63.9

Rationale

The global surgical package for intralesional injections includes evaluation of the treatment areas for the previous treatments and creation of new treatment regimen. Only this injection code is reportable in this example.

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