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March 18, 2026

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Via email to [JGrant@bcbsm.com](mailto:JGrant@bcbsm.com) and [AMilewski@bcbsm.com](mailto:AMilewski@bcbsm.com)

RE: Blue Cross Blue Shield of Michigan Modifier 25 Reimbursement policy

The American Academy of Dermatology Association (AADA) represents over 18,000 dermatologists nationwide. The AADA calls upon Blue Cross Blue Shield of Michigan (BCBS MI) to rescind its Modifier 25 payment reduction policy scheduled to take effect May 1, 2026.

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 BCBS MI 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 a separate and unrelated 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

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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.

A recent [report](#) by the Office of the Inspector General confirmed that dermatologists are appropriately using Modifier 25. In response to the report, CMS concluded that dermatologists are complying with Modifier 25 coding rules and the agency will not impose any additional regulations in this area.

The justification BCBS MI 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 for procedures typically billed concurrent to an unrelated E/M service. The RUC removes any overlap in clinical labor time for the following clinical activities: greet patient, provide gowning, ensure appropriate medical records are available; obtain vital signs; prepare room, equipment and supplies for a typical office visit; clean room by clinical staff. 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 are purposely structured to ensure there is no overlap. These reductions hold even when a procedure code is billed in isolation, subsequently resulting in underpayment for work performed. To further illustrate the issues created by this policy proposal consider the following example; a dermatologist billing for CPT code 11900 (*Injection, intralesional; up to and including 7 lesions*) and E/M 99214 using the national Medicare fee schedule (non-facility) would be reimbursed at \$192.39 (\$56.78 for CPT 11900 and \$135.61 for the E/M CPT 99214). Under the proposed BCBS MI policy, the E/M would be reduced 50% with a total payment of \$124.59. The physician is paid \$11.02 less than if they had not performed the procedure at all and only billed for the E/M service, thereby disincentivizing access to efficient care.

Further reductions by BCBS MI are not only unnecessary but also only serve to arbitrarily reduce payment further. In this regard, we request that BCBS MI provide data on purported overlap that supports a 50% reduction in payment.

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The AADA urges BCBS MI 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. The AADA remains committed to providing members with [educational resources](#) to support accurate coding and is committed to advocating for the appropriate use and payment of modifier 25.

Please contact Lou Terranova, Associate Director for Health Policy and Payment at 202- 340-2875 or [lterranova@aad.org](mailto:lterranova@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 BCBS MI to ensure patients' access to high quality dermatologic care.

Sincerely,

A handwritten signature in cursive script that reads "Susan C. Taylor MD, FAAD".

Susan C. Taylor, MD, FAAD

President, American Academy of Dermatology / Association