



October 29, 2024

Mark Steffen, MD, MPH
Chief Medical Officer
Blue Cross Blue Shield of Minnesota
3400 Yankee Dr.
Eagan, MN, 55121

Dear Dr. Steffen,

Thanks to you and your team for taking the time to meet with us yesterday to discuss our concerns with Blue Cross Blue Shield of Minnesota's (BCBS MN) policy with respect to use of modifier 25. As requested, attached is comparative information from the other major health plans in Minnesota.¹ In our previous discussion about this issue, you suggested that the BCBS MN policy was consistent with that of other health plans; the attached information demonstrates that BCBS MN is an outlier in its current modifier 25 payment policy.

On behalf of the MMA, I respectfully request that Blue Cross Blue Shield of Minnesota (BCBS MN) reconsider its policies that reduce payment for evaluation and management (E&M) services when appended with modifier 25.^{2,3,4}

As we shared in our meeting, the BCBS MN's modifier 25 payment policies impose **redundant** payment cuts to physicians who provide same-day services to your members. The Relative Value Update Committee (RUC) regularly screens all CPT codes that are billed with E/M codes more than 50% of the time and then reduces the relative value units (RVUs) of those codes to prevent duplicate valuation of practice expenses and pre-/post-visit physician work.⁵ We agree with your contention that that there are "synergies" and overhead efficiencies generated when services are provided at the time of a patient visit. That, in fact, is what the RUC accounts for in its RVU valuations. The policy of BCBS MN to further, and arbitrarily, reduce payment for these services is inappropriately redundant.

¹ A table of these policies is provided in Appendix A.

² [Blue Cross Blue Shield Minnesota, "Commercial Evaluation and Management - 002 Same Day Same Service," Effective 05/06/24](#)

³ [Blue Cross Blue Shield Minnesota, "Medicaid Evaluation and Management - 002 Same Day Same Service" Effective 05/06/24;](#)

⁴ [Blue Cross Blue Shield Minnesota, "Medicare Evaluation and Management - 002 Same Day Same Service" Effective 05/06/24](#)

⁵ [American Medical Association, "AMA/Specialty Society RVS Update Process RUC Recommendations for CPT 2024," January 2023, p. 35 of PDF, p. 11 in-text.](#)



As shown in the attached table, BCBS MN's modifier 25 payment policies are **outliers compared to those of other Minnesota health plans**. Based on publicly available information confirmed by health plan representatives, of Minnesota's seven largest health plans, BCBS MN is the only health plan with modifier 25 payment reduction policies that apply in *all* cases that a modifier 25 is used. Three health plans have no modifier 25 payment reduction policies whatsoever. Three other health plans have modifier 25 payment reduction policies that apply *only* when the E/M service is billed with a same-day preventive service (e.g., CPT codes 99381-99387, 99391-99397).⁶ The MMA has confirmed with RUC staff that, although all CPT codes are screened, preventive service codes are billed less commonly with E/M services and, as such, don't meet the current threshold that warrants adjustment for duplication.

The MMA shares the goals of BCBS MN to support high quality, affordable healthcare. The MMA will also advocate for fair and appropriate compensation for physician services. The effect of the current BCBS MN modifier 25 payment policies is to misunderstand the valuation of services done by the RUC and to inappropriately reduce payment for physician-delivered services.

I sincerely appreciate your consideration of this request. We remain available to answer any additional questions.

Sincerely,

Janet L. Silversmith
CEO

⁶ A table of these policies is provided in Appendix A.

APPENDIX A. Publicly posted modifier 25 payment reduction policies adopted by Minnesota health plans, 2024

Health Plan	Has Policy	Reduction (Commercial)	Reduction (PMAP + MinnesotaCare)	Reduction (Medicare Advantage)	Preventive Codes
Hennepin Health	No	--	5%*	--	
Medical Assistance (FFS)	No	--	--	--	
Original Medicare	No	--	--	--	
Sanford Health Plan	No	--	--	--	
UCare	No	--	--	--	
BCBS MN	Yes	20% https://www.bluecrossmn.com/sites/default/files/DAM/2023-06/commercial-em-002-same-day-same-service.pdf ; p. 2	20% https://www.bluecrossmn.com/sites/default/files/DAM/2023-12/medicaid-em-002-same-day-same-service.pdf ; p. 2	50% https://www.bluecrossmn.com/sites/default/files/DAM/2023-08/medicare-em-002-same-day-same-service.pdf ; p. 2	
HealthPartners	Yes	50%† https://www.healthpartners.com/ucm/groups/public/@hp/@public/documents/documents/entry_141032.pdf ; p.37	50%† Ibid.	50%† Ibid.	Not listed in policy.
Medica	Yes	25%† https://partner.medica.com/-/media/documents/provider/preventive-medicine-and-screening-policy.pdf?la=en&hash=59C3A82DFCEE723810EC753ADEF7FDF5 ; p. 1	25%† Ibid.	25%† Ibid.	99381-99387; 99391-99397
UHG	Yes	50%† https://www.uhcprovider.com/content/dam/provider/docs/public/policies/comm-reimbursement/COMM-Preventive-Medicine-and-Screening-Policy.pdf ; p. 1	50%† https://www.uhcprovider.com/content/dam/provider/docs/public/policies/medicaid-comm-plan-reimbursement/UHCCP-Preventive-Medicine-and-Screening-Policy-R0013.pdf ; p. 1	-- --	99381-99387; 99391-99397

* This 5% reduction is applied only to directed payments to Hennepin Healthcare per DHS requirements.

† These policies only apply when an E&M code is billed with a same day “preventive service” code (see codes listed in the final column).