

## Weekly Auditing and Compliance Tip

National Alliance of Medical Auditing Specialists | 877-418-5564 | [namas.co](http://namas.co) | [namas@namas.co](mailto:namas@namas.co)

July 21, 2017

### Reimbursement in Pennsylvania May Impact Reimbursement for the Rest of the Country

Should we reduce the services for insurance companies' beneficiaries by 50% when they show up wanting our providers to perform an Evaluation and Management Service along with a minor procedure (0 or 10 day global)? Should we only provide half of an annual physical when their beneficiaries show up for a CPE and a problem needing to be evaluated on the same visit? The answer is obviously not... yet, Blue Cross Blue Shield of Pennsylvania (Independence) has determined that effective Aug. 1, Independence Blue Cross (IBC) plans [to change its policy on payment when modifier 25 is used](#). When an evaluation and management (E&M) service is provided on the same day as a procedure with a 0-day or 10-day global period, IBC will reduce reimbursement for the E&M by 50 percent. It will also reduce reimbursement for the E&M when it is provided on the same day as a preventive service.

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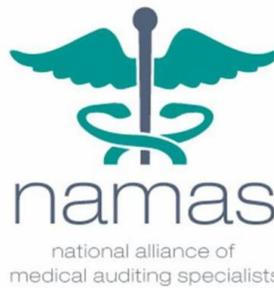
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Services that are truly independent of each other should carry separate and distinct reimbursements as long as the providing of those services is "Medically Necessary." One should ask, why this policy change and what affect will it have on their insured members? This change in IBC policy, added to decreasing benefits and rising deductibles and out-of-pocket expenses, is certain to cause sacrifices in patient care, hinder access to medical care, increase out-of-pocket costs for beneficiaries, and will very likely increase patient dissatisfaction and potentially drive clinical outcomes down due to delays in medical care. It is likely that this change will be met with loud applause by other BCBS payors as well as other commercial payors (i.e., United, Aetna, Cigna, etc.) who will likely measure the response of providers, hospitals and health systems that own/manage or employ physicians, medical and management societies and others with vested interests in physician payments and follow the lead of BCBS.

This adjustment to their policy sends a very bad message in my humble opinion. Sure, IBC will claim this is a cost-cutting measure to ensure they are able to continue to provide affordable coverage for beneficiaries, but at the end of the day, costs for insurance are not going down. The majority of the country saw double digit increases in monthly premiums, while some states saw triple digit increase in premiums. The truth is, this policy change is about greed. It is about padding the bottom line for investors. It is about preserving the ability of their C-suite and other corporate executives to continue to be paid obscene salaries in addition to over-inflated bonuses. Here is a small excerpt from IBC's 2016 Annual Report: "Total revenue increased by 21 percent to a record \$16.7 billion with a net income of \$67 million." The report goes on to say, "The key to our positive results was focused, consistent execution on our multi-year strategy, including effective management actions to offset market volatility and rising medical costs." (In other words, let's cut physician reimbursement where we can by changing payment policies, bundling more services, denying more claims and auditing more claims to find recoupment). This raises the quandary of why is it taboo to "optimize revenues" for a physician practice, but yet profits, salaries and bonuses of those on the carrier side continue to rise?



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Sitting back and idly accepting such a change cannot be the answer; right now is the time to make a stand. If you are in Pennsylvania, flood IBC with calls encouraging them not to make this change. Make sure your specialty societies and any medical management groups you belong to are lobbying on your behalf. Remaining silent in such a situation is unacceptable and sends the wrong message to IBC about their pending policy change. The costs for rendering medical care has not decreased in recent years, so why should the reimbursements?

[Click here to access information on the executives responsible for these policy changes:](#) maybe you would like to read about them or send them a friendly letter. In this chart, which is also found by a simple internet search, you will find Mr. Hilferty. Take a look at his compensation and the fact that he also took a 15.2% increase from 2014-2015 and took home more than \$4.3 Million in total compensation. Now, compare this to the compensation of a physician working in the region of IBC who is saving lives, caring for patients during hours that others sleep, and probably has at least double the education who on a bang-up year may make \$500,000 - \$1 million at best. We don't begrudge anyone for making a good living, but is this good living by the execs of this insurance carrier and others at the expense of the health of you and me?

**This Week's Audit Tip Written By:**

**Sean M. Weiss, CHC, CMCO,  
CEMA, CPMA, CMPE, CPC-P, CPC**

Sean is a Partner and the Vice President of Compliance with our parent organization, DoctorsManagement, LLC



Article Resource: "*Blues CEOs Collectively Cleared \$102M in 2014, but Salary Gains Remained Flat*"  
<https://aishealth.com/archive/nblu1015-01>  
AISHealth, October 2015.

**Join NAMAS for the 9th Annual Auditing & Compliance Conference  
December 2017 in Orlando, FL!**

July 26 & 27: Nashville, TN  
September 12 & 13: Savannah, GA  
October 10 & 11: Phoenix, AZ  
And more!

We will also be holding our E&M Auditing BootCamp Online on August 16, 17 and 18 from 1pm - 5pm EST each day.

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Speaker: Frank Cohen**

free  
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Register for our Upcoming FREE Webinar  
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Evidence Based Management: Better  
Decisions, Better Outcomes

Thursday, July 17  
2pm EST

During this webinar, you will learn how to stop relying on emotions, politics and anecdote and start relying on evidence in the form of data and statistics to improve outcomes for important business and management decisions.

During this webinar, you will learn:

- The global concept of EBM and its key components
- How to differentiate between simple and complex systems
- To see the importance of decision theory within EBM
- How to create EBM models for any business
- How to apply EBM in the medical practice



### NAMAS 9th Annual Auditing & Compliance Conference

December 2017 | Orlando, FL

Loews Sapphire Falls Resort

#### Conference Information

Pre-Conference: Tuesday, December 5

Conference: Wednesday, December 6 - Friday, December 8

Venue: Loews Sapphire Falls Resort  
Orlando, FL

[Click Here to View the Conference Agenda](#)

Learn from the best in the industry, network with your peers and visit with our hand picked group of industry relevant exhibitors all in the gorgeous Caribbean inspired backdrop of the Loews Sapphire Falls Resort

#### Conference Pricing - Available Through September 30, 2017 Only

##### NAMAS Member

Conference Only: \$1145

Pre-Conference & Conference: \$1395

##### Non Member

Conference Only: \$1245

Pre-Conference & Conference: \$1595

#### Plus, Don't Miss Your Opportunity to Be a Conference VIP!

This year, we are proud to offer a limited number of VIP package add-ons available to all attendees at the nominal rate of \$129. Add on the VIP experience to your conference registration today!

#### As a Conference VIP, you'll receive:

- A VIP registration line for faster check-in
- A VIP branded name badge to wear during conference sessions
- Registration to our EXCLUSIVE VIP Brunch & Session occurring the morning of Wednesday, December 6 before general session begins.

Click Here to Register for this FREE Webinar offered by Frank Cohen

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#### NAMAS Calendar of Events



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NAMAS is proud to offer the following webinars in July and August

This exclusive training will be presented by Frank Cohen

- Admission to our VIP ONLY EVENT - occurring the evening of Thursday, December 7. Enjoy a relaxing evening of entertainment, dancing, food and networking in the Caribbean inspired Sapphire Falls Resort
- Bonus NAMAS Swag
- Additional \$500 in NAMAS Bucks! Use NAMAS Bucks to bid on a variety of prizes available in our exhibit hall

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### **Hands On: Auditing Surgical Services**

Speaker: Omega Renne

July 25, 2017

2pm EST

This webinar is FREE For NAMAS Platinum members. This webinar is also available for purchase for \$49.99

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### **Auditing IPPE, Annual Wellness & Preventive Services**

Speaker: Omega Renne

August 1, 2017

2pm EST

This webinar is FREE For NAMAS Platinum, Gold, and Basic/Silver members who have selected the auditing webinar series. This webinar is also available for purchase for \$49.99

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### **Extrapolation Appeals**

Speaker: Frank Cohen

August 15, 2017

2pm EST

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### **Hands On: Auditing Inpatient Services**

Speaker: Deb Santos

August 22, 2017

2pm EST

This webinar is FREE for NAMAS Platinum members. This webinar is also available for purchase for \$49.99

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### **How to Effectively Monitor Your Risk Adjustment Reporting**

Speaker: Betty Stump

August 29, 2017

2pm EST

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