



Horizon Blue Cross Blue Shield of New Jersey

NEWS / PROFESSION

N.J. Chiropractors 1, Horizon Blue Cross Blue Shield 0

INSURER AGREES TO REIMBURSE FOR SEPARATELY IDENTIFIABLE E&M SERVICES

Editorial Staff

Horizon Blue Cross Blue Shield of New Jersey has announced it will recognize and reimburse chiropractors who bill separately identifiable services with modifier -25. The announcement follows a July 2006 administrative action by the Association of New Jersey Chiropractors (ANJC), which accused Horizon of various discriminatory tactics, including failing to pay DCs for separately identifiable Evaluation & Management (E&M) services performed on the same day as a chiropractic manipulation. According to the ANJC, the announcement is "a resounding victory against the improper reimbursement practices of Horizon with regard to E&M services performed by chiropractors." The association says it hopes to expand upon this victory and ultimately prevail on all points in the administrative action.



Jim Albano, vice president of Horizon Blue Cross Blue Shield, made the announcement to participating providers via the following letter, dated October 2006:

Dear Participating Physician:

There are many initiatives underway to make your interactions with Horizon Blue Cross Blue Shield of New Jersey faster, simpler and better. The following change may address some of your claim issues.

Effective November 1, 2006, for services performed on or after August 1, 2006, Horizon BCBSNJ will systemically recognize Modifier 25 when appropriately billed with Evaluation and Management (E/M) Codes. In accordance with AMA guidelines, Modifier 25 is appended to an E/M service to identify a significant, separately identifiable evaluation and management service performed by the same physician on the same day as a procedure or other service.

Claims billed with Modifier 25 and previously systemically declined for services performed on or after August 1, 2006 will be automatically renewed for potential adjustment for systemic payment (unless already appealed and determined to be ineligible). Physicians do not need to submit appeals for such previously declined claims with respect to Modifier 25.

As always, claims are subject to all member and group benefit limitations, conditions and exclusions.

At this time, the systemic recognition of Modifier 25 will not apply to multiple E/M codes performed on the same day by the same physician. However, we will consider making this enhancement in the future.

We are committed to enhancing your day-to-day interaction with us. If you have any questions, please contact your Professional Field Consultant or call 1-800-624-1110. Thank you for your continued participation with Horizon BCBSNJ.

Sincerely,

Jim F. Albano
Vice President
Healthcare Services

In 2005, the ANJC, upset with Horizon's insurance reimbursement practices, teamed with the American Chiropractic Association and brought its complaints to the New Jersey Department of Banking and Insurance (DOBI) for resolution. The DOBI transferred the dispute to the Office of Administrative Law, and in July 2006, a four-day hearing was held before the Administrative Law Judge. In addition to the E&M issue, three other main issues were brought before the judge: whether Horizon improperly reimburses chiropractors by failing to pay them separately for performing physical modalities on the same day as a chiropractic manipulation; whether the denial of certain services by Horizon constitutes discrimination in violation of state anti-discrimination and insurance equality laws; and whether Horizon's in-network fee schedule for chiropractors, set at 80 percent of Medicare rates, is improper.

Horizon contended it adequately reimburses chiropractors for E&M and physical modalities through its payment for chiropractic manipulative treatment (CMT), and that it is appropriate to bundle reimbursement for such separate services into the CMT reimbursement. Horizon also contended its reimbursement policies are not discriminatory and its fee schedule is properly set by market forces.

As of press time, there has been no determination or concession made regarding the other three issues of the case - reimbursement for physical modalities, reimbursement rates for the in-network fee schedule and whether Horizon is discriminating against chiropractors. According to the ANJC, the Administrative Law Judge has approximately 35 days remaining to issue his decision on the remaining issues to the DOBI, which can accept, reject or modify the judge's opinion. Once DOBI issues its determination, either side can appeal to the appellate division of the superior court within 45 days. For more information, contact Jeff Randolph, Esq., ANJC legal counsel, at jrandolph@labadyandrandolph.com.

Resources

1. E-mail from ANJC President Sig Miller, DC; received Oct. 27, 2006.
2. Horizon E&M acknowledgment letter to participating providers, October 2006.
www.anjc.info/PDF/EMAcknowledgmentLetter.pdf.
3. "Fighting Unfair Insurance Reimbursement in New Jersey. ANJC, ACA Complete Administrative Hearing Against Horizon Blue Cross Blue Shield; Decision Expected by Late September/Early October." *Dynamic Chiropractic*, Sept. 1, 2006.
www.chiroweb.com/archives/24/18/06.html.

SEPTEMBER 2006