



Horizon Blue Cross Blue Shield of New Jersey

March 18, 2010

Three Penn Plaza East  
Newark, NJ 07105-2200  
[www.HorizonBlue.com](http://www.HorizonBlue.com)

Dear Participating Physician:

In a letter mailed to your office in February 2010, we advised you that we are implementing changes to our policies and procedures in regard to how eligible procedures and services billed with modifiers 25, 52, 53, 54, 55, 56, 59, 73 and 76 will be reimbursed. Based on feedback we received from a number of participating offices, we are revising our approach to how eligible procedures and services billed with Modifier 25 will be reimbursed. Please note that we are not revising the policies and procedures for modifiers 52, 53, 54, 55, 56, 59, 73 and 76 that were communicated in the February 2010 letter.

In our February 2010 letter, we advised that, effective May 17, 2010, any eligible evaluation and management (E&M) service appended appropriately with Modifier 25 would be reimbursed at 50 percent of the applicable Horizon BCBSNJ fee schedule (subject to all member and group benefit limitations, conditions and exclusions).

We are revising our Modifier 25 approach so that when two E&M services are billed for the same patient, on the same date of service, we will consider the E&M service appended appropriately with Modifier 25 at 50 percent of the applicable Horizon BCBSNJ fee schedule and consider the other E&M service at 100 percent of the applicable Horizon BCBSNJ fee schedule (subject to all member and group benefit limitations, conditions and exclusions). This revision will also be effective May 17, 2010.

Our modifier policies are available on our website. To access these policies, please visit [www.HorizonBlue.com/Providers](http://www.HorizonBlue.com/Providers) and:

- Mouse over *Forms and Vouchers* and click *Provider Reference Materials*
- Under *Reimbursement and Billing*, click *Modifier Policies*.

#### **Monitoring of modifier usage**

Reports issued by the Department of Health and Human Services Office of Inspector General (OIG), documented the misapplication of modifiers (specifically Modifiers 25 and 59) in a high percentage of claims they reviewed. As a result of these findings, the Centers for Medicare & Medicaid Services recommends and encourages insurers to monitor modifier usage and report instances of misuse.

A review of our claims data revealed Modifier 25 and 59 utilization rates substantially higher than the national benchmark. We have engaged certified professional coders to perform chart and claim audits of those offices whose Modifier 25 and/or 59 utilization is higher than that of peers in like specialties. Audits are currently being conducted and future audits, based on claims data, will also be conducted.

Your Professional Relations Representative is available to discuss these changes with you, or you may call Physician Services at 1-800-624-1110.

Sincerely,

Richard Popiel, MD, MBA  
Vice President and Chief Medical Officer  
Health Affairs

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Blue Cross and Blue Shield Association.