Rachelle Dennis-Smith, MD
Vice President of Health Pol icy
CIGNA Healthcare
100 Peachtree Street
Suite 800
Atlanta, GA 30303

Dear Dr. Dennis-Smith:

The American College of Physicians-American Society of Internal Medicine (ACP-ASIM), representing 115,000 internists and medical students, objects to the CIGNA policy, communicated to us in your November 25, 2000 letter, of paying a blended rate for level 3, 4, and 5 evaluation and management (E/M) service office and hospital visits. ACP-ASIM believes that a blended rate inappropriately undermines the Current Procedural Terminology (CPT) system and fails to achieve your stated goal of ensuring appropriate reimbursement for services rendered to CIGNA patients without imposing an administrative burden on the physicians who furnish these services.

ACP-ASIM recommends that CIGNA discontinue its blended rate payment policy. CIGNA should revert to paying a separate fee for each level of E/M service. CIGNA should target its post-payment utilization review efforts by identifying physicians whose billing patterns deviate significantly from others who practice the same specialty in the same geographic area. CIGNA should use the 1995 and 1997 Medicare documentation guidelines, applying whichever is most advantageous to the physician for the claim in questionÑthe policy that is used by Medicare carriers. CIGNA should pay for E/M services without any up-front documentation requests and only conduct post-payment review of E/M service claims for physicians who are identified as outliers.

ACP-ASIM opposes CIGNA's de facto deviation from the CPT E/M code structure. The blended rate policy effectively reduces the number of levels of service for office and hospital visits from five to three and, as you know, CPT 99211 is typically used to bill a service without physician involvement. Therefore, CIGNA only gives physicians the option of billing patient visits as "short" or "medium." We strongly believe that five levels of service are necessary to enable physicians to demonstrate the severity of patient illness and the corresponding complexity of necessary care. We reject the blended rate despite your claim that payments for some services with a "central tendency" would experience a payment increase.

It is unacceptable that physicians must volunteer for an audit to prove that they treat a sick patient population-a typical case-mix for an internal medicine practice-to be exempted from the blended rate policy. The blended rate policy puts an unwarranted burden on the physician. A physician should not have to undergo such an arduous process just to have the opportunity to be paid according to the five-level CPT system that is nearly universally accepted by payers. Further, a physician who endures a volunteer audit and demonstrates that that he or she bills above the "central tendency" because his or her patient population is relatively sicker would then be subjected to additional post-payment audits.

We are pleased that CIGNA discontinued its policy requiring documentation to be submitted with high-level E/M services prior to payment. It is never appropriate for CIGNA or other health plans to require that medical record documentation be submitted with each claim to justify payment. Such a policy is a burden for both the physician and the health plan. Onerous documentation requirements discourage physicians from billing justified high-level E/M services-coercing physicians to undercode their claims. Further, intentional, plan-induced downcoding distorts the frequency distribution pertaining to families of E/M services and creates inaccurate benchmarks that can unnecessarily trigger future post-payment audits.

We dispute the contention that the blended payment rate system that CIGNA has instituted to replace the pre-payment documentation requirement-and billed as a solution-decreases the administrative burden faced by physicians. It is unclear as to whether CIGNA is ceasing to conduct all post-payment review of high-level E/M services paid using a blended rate. It is our understanding that the decreased documentation burden associated with the blended rate policy merely refers to ceasing the pre-payment documentation submission requirement.
Additionally, we reject the rationale that the blended payment policy is necessitated by a lack of consensus regarding E/M documentation requirements. We note that CIGNA will continue to pay a different rate for each level of service for consultations and other E/M services and judge the appropriateness of these billings by using the 1995/1997 Medicare E/M documentation guidelines. Therefore, CIGNA should continue to use the 1995/1997 Medicare documentation standards when it is necessary to review documentation that supports all E/M service claims.

Post-payment review, targeted at individuals who are outliers compared to physicians who practice the same specialty in the same geographic area, is a reasonable method for ensuring appropriate billing-a method that refrains from casting an onerous and unnecessarily wide net of scrutiny on all physicians. Systematic overbilling, as documented through appropriate post-payment review and not simply an increase in the frequency of claims for high-level services, should be handled through physician education, not a de facto deviation from the CPT E/M structure or burdensome pre-payment documentation requests.

CPT E/M codes must be preserved. Efforts to address documentation concerns by altering the basic coding structure are misguided-they replace one inappropriate policy with another that is equally unfair. The blended payment policy provides physicians the same disincentive to seeking appropriate reimbursement for high-level E/M services as requiring them to submit documentation with claims on a pre-payment basis. In fact, the concept behind these two policies is nearly identical. CIGNA would best serve the patients it insures and the network of physicians who treat them by using a post-payment review process that focuses on outliers and leaves the CPT E/M service code structure unaltered.

Please contact Brett Baker, ACP-ASIM Senior Associate, Regulatory Affairs, if you have any questions. You can reach Brett by phone at (202) 261-4533 and by e-mail at bbaker@mail.acponline.org.

Sincerely,

Walter J. McDonald, MD, FACP
Executive Vice President/Chief Executive Officer