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May 17, 2024

VIA ELECTRONIC MAIL

Tosha Lara-Larios
Medical Director, Medical Management
Blue Shield of California
6300 Canoga Ave.
Woodland Hills, CA 91367
Tosha.LaraLarios@blueshieldca.com

**Re: E/M Reimbursement Update for 0 and 10 Day Globals with
Modifier 25**

Dear Dr. Lara-Larios,

On behalf of the American Academy of Otolaryngology-Head and Neck Surgery (AAO-HNS)¹, I am contacting you regarding Blue Shield of California's update to its Global Surgical period Evaluation and Management (E/M) reimbursement policy that goes into effect on July 14, 2024. The policy, as written, modifies how reimbursement for E/M services and minor surgical procedures with a 0 or 10 day global period are determined.

Specifically, when E/M services are performed on the same day by the same specialty physician and/or other health care professional performing the 0/10 day Global procedure, Blue Shield of California will reimburse the E/M services at 50% of the Blue Shield Provider allowance. The AAO-HNS has received several inquiries from our members in California expressing a high level of dissatisfaction and frustration with this policy and it negatively impacts patient care and fair reimbursement.

According to the policy update, "the global surgical package includes all necessary services normally furnished by a surgeon before, during, and after a procedure. Medicare payment for the surgical procedure includes the preoperative, intra-operative, and post-operative services routinely

¹ The AAO-HNS is the world's largest organization representing specialists who treat the ear, nose, throat, and related structures of the head and neck. The Academy represents approximately 12,000 otolaryngologist-head and neck surgeons who diagnose and treat disorders of those areas.

performed...physicians in the same group practice who are in the same specialty must bill and be paid as though they were a single physician.”

The AAO-HNS understands that payers develop their own reimbursement policies. However, entities that adopt the resource-based relative value scale (RBRVS) methodology should adhere to those relative values, global surgical periods, use of modifiers, and the National Correct Coding Initiatives (NCCI) edits. Failure to do so results in physicians not being reimbursed fairly for the procedures and services they perform. Primarily, the RBRVS was founded on the principle that payments for physician services should vary according to the resource costs associated with providing those services. The intention of this was not only to stabilize the payment system but to provide physicians with an avenue to continuously improve it.

Physician work, practice expense, and malpractice inputs for E/M and otolaryngology codes are purposely structured to ensure there is no overlap in physician work and practice expenses between a same-day E/M service and a minor procedure with a 0 or 10-day global period. Performing both an E/M service along with procedural services, including but not limited to an endoscopy, flexible laryngoscopy, excision of lesion, biopsy, removal of a foreign body, or control of epistaxis, are medically necessary and should be reimbursed accordingly.

To calculate the value of each component, the Center for Medicare & Medicaid Services (CMS) works jointly with the American Medical Association’s (AMA) RVS Update Committee (RUC), to determine the resource costs of each physician service and ensure that overlapping expenses between commonly performed procedures during the same encounter are accounted for. We are concerned that Blue Shield of California’s proposed reduction is based on inaccurate information related to overlapping practice expenses.

When valuing 0 and 10-day global procedures, the RUC has specifically worked to ensure there are no duplicative or overlapping times or resource costs embedded in procedure codes typically performed with an **unrelated E/M service** on the same day. The RUC’s Relativity Assessment Workgroup applies its established screening mechanisms and reviews all procedures when same-day E/M services are typically reported to ensure that duplicate work has been accounted for. Additionally, AMA staff provides ongoing data analysis to specialties and the RUC in the development and review of both, work RVUs’ and practice performance of an unrelated E/M on the same date of each procedure code.

As you are aware, fixed overhead expenses such as rent, utilities and personnel not related to patient care are not covered by the RBRVS system. For the above-stated reasons, the AAO-HNS strongly believes that the revised policy is inconsistent with CMS reporting rules, and the AMA Current Procedural Terminology (CPT) codes, guidelines, and conventions, and is therefore ultimately flawed.

In summary, we strongly recommend that Blue Shield of California modify its revised “Global Surgical Period” policy and fully reimburse providers for E/M visits performed in conjunction with minor procedures. We appreciate the opportunity to comment on this policy and would welcome the opportunity to discuss our feedback. Should you have any questions, please contact healthpolicy@entnet.org.

Sincerely,



James C. Denny III, MD
Executive Vice President and CEO