Using CPT Modifier -25 for Professional Billing

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You may want to consider a focused review of how your practice assigns CPT modifier -25, "a significant, separately identifiable Evaluation & Management (E&M) service by the same physician on the same day of the procedure or other service." The Health Care Financing Administration (HCFA) recently noted that it has chosen modifier -25 as part of a special study regarding appropriate use of CPT modifiers.

Modifier -25 apparently is one of the most frequently misused modifiers in professional practice, because users think it is an easy way to report extra work during a patient encounter. It should be used to report an authentic, separately reportable procedure-type service provided at the same time a valid E&M service is rendered. It is important to note that both the separately identifiable E&M service and the procedure or other service performed may be related to the same diagnosis. The key is that the E&M service must be above and beyond the other service provided or beyond the usual preoperative and postoperative care associated with the procedure performed. According to HCFA documents, modifier -25 is commonly misused by podiatrists and dermatologists, though this does not mean a pattern of misuse doesn't exist among other specialists as well.

Physicians and coders should understand that a well-documented procedure note or dictated report must be available to support the assignment of modifier -25. Next, reporting guidelines, such as Medicare reporting rules, should be referenced to determine if another CPT code is reportable in lieu of a modifier. Modifier -57, Decision for Surgery, should be reported when the E&M service provided resulted in a decision to perform surgery. When other reporting alternatives have been ruled out, then modifier -25 may be appropriate and should be appended to the E&M service code. List the CPT code for the procedure or other service as an additional code on the claim. Where possible, match the reported diagnoses to each CPT code reported. Because some payers do not allow for more than one CPT code to be reported, contact the payer to determine if modifier use is recognized and if more than one CPT code can be used.

Do not use modifier -25 in conjunction with critical care coding, and be careful not to unbundle E&M service components and report them with a modifier. Misuses like these can be identified easily when the National Correct Coding Initiative (NCCI) is applied to claims submitted for payment. Profiling or trending providers with misuse of codes or modifiers may lead to additional audits.

Modifier -25 has not been listed as an acceptable data element for hospital outpatient reporting. Consult Appendix A of the 1999 CPT manual for details regarding modifier listings for physician and hospital use. Note the distinct differences between the two listings, notably the absence of modifier -25 in the hospital group.

If you have any questions regarding modifier -25 use specific to a third-party payer, contact the payer for more details. In the meantime, use prudent judgment when assigning any modifier.

Note

1. American Medical Association. "Appendix A." *Current Procedural Terminology 1999*, Standard Edition. Chicago, IL: American Medical Association, 1998.

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