

## Payment Policy

<b>Multiple Procedure &amp; Endoscopy Reduction</b>	
Original effect date:	Revision date:
01/01/2007	08/03/2018

### IMPORTANT INFORMATION

Blue Shield of California payment policy may follow industry standard recommendations from various sources such as the Centers for Medicare and Medicaid Services (CMS), the American Medical Association (AMA), Current Procedural Terminology (CPT) and/or other professional organizations and societies for individual provider scope of practice or other coding guidelines. The above referenced payment policy applies to all health care services billed on CMS 1500 forms and, when specified, to those billed on UB04 forms or their electronic equivalent. This information is intended to serve only as a general reference regarding Blue Shield's payment policy and is not intended to address every facet of a reimbursement situation. Blue Shield of California may use sound discretion in interpreting and applying this policy to health care services provided in a particular case. Furthermore, the policy does not address all payment attributes related to reimbursement for health care services provided to a member. Other factors affecting reimbursement may supplement, modify or, in some cases, supersede this policy such as coding methodology, industry-standard reimbursement logic, regulatory/legislative requirements, benefit design, medical and drug policies. Coverage is subject to the terms, conditions and limitation of an individual member's programs benefits.

### Application

Multiple procedures reduction in this policy applies when two or more medical or surgical procedures are performed by the same physician, in the same setting, and on the same date of service. Surgery or procedure ranking is determined using the relative value unit (RVU) listed in the Centers for Medicare & Medicaid Services (CMS) Physician Fee Schedule based on the place of service where the services are performed.

### Policy

#### Standard Multiple Procedure Reductions

Multiple procedures reduction in the policy applies to procedures designated by CMS with a Multiple Procedure Indicator of 2 or 3 in the CMS Medicare Physician Fee Schedule (MPFS) Relative Value File, when multiple procedures are performed on the same day, by the physician and/or other health care professional of the same group reporting the

same Federal Tax Identification number (TIN), reduction in reimbursement for secondary and subsequent procedures will occur.

Blue Shield aligns with CMS primary, secondary and subsequent ranking of these procedures based on CMS Facility and Non-Facility Total Relative Value Units (RVU), based on the place of service where the services are performed. The primary procedure/surgery with the highest RVU will be reimbursed at 100% of the allowed amount and all subsequent lower RVU valued procedures will be reimbursed at a 50% reduction of the allowed amount.

Providers should not reduce the billed amount of the secondary/subsequent procedures, as it could result in a cutback of our allowance below the 50% amount. Blue Shield will recognize the published AMA “Add on Codes” as defined in the CPT Manual as “Exempt from Modifier 51” to be excluded from the multiple procedure reduction payment policy and there will not be a reduction of the allowable allowance.

### **Multiple Endoscopy Reductions**

Effective for claims with date of service on or after July 8, 2017, Blue Shield apply the special pricing rules for multiple endoscopic procedures when multiple endoscopic surgical procedures are performed on the same day, by the physician and/or other health care professional of the same group reporting the same Federal Tax Identification number (TIN), reduction in reimbursement for secondary and subsequent procedures will occur in accordance with CMS guidelines.

For endoscopy codes CMS applies special rules when multiple endoscopic procedures when reported on the same day as other endoscopic procedures from the same family (same endoscopic base family). CMS allows full value (100% of the maximum allowance) for the highest valued endoscopy code in the family and allows additional endoscopy codes in the same family at a reduced amount based on the CMS Medicare Physician Fee Schedule (MPFS) endoscopic base code. When multiple endoscopy codes are reported on the same day as other endoscopic procedures not within the same base family, standard multiple surgery reduction calculations will apply as noted in the Standard Multiple Procedure Reductions section of this policy.

### **Rationale**

Section 3134 of the Affordable Care Act added section 1848©(2)(K) of the Social Security Act which specifies that the Secretary shall identify potentially mis-valued codes by examining multiple codes that are frequently billed in conjunction with furnishing a single service. Blue Shield of California has adopted a multiple procedure payment policy in order to more appropriately recognize the efficiencies when combinations of surgical procedures are furnished together.

### Reimbursement Guideline

Blue Shield of California will reference national or regional industry standards, such as Centers for Medicare & Medicaid Services' (CMS) National Correct Coding Initiative (NCCI) and MUE (Medically Unlikely Edits) rules, and American Medical Association's (AMA) CPT guidelines, as coding standards and as guidance for payment policy. In claims payment scenarios where CMS and/or CPT reference is lacking or insufficient, the Payment Policy Committee (PPC) may develop customized payment policies that are based on other accepted or analogous industry payment standards and or expert input.

#### Resources

- **American Medical Association** <http://www.ama-assn.org/ama>
- **CMS Medicare Physician Fee Schedule (MPFS) Relative Value File**  
<https://www.cms.gov/Medicare/Medicare-Fee-for-Service/Payment/PhysicianFeeSched/PFS-Relative-Value-Files.html>

### Policy History

This section provides a chronological history of the activities, updates and changes that have occurred with this Payment Policy.

Effective Date	Action	Reason
01/01/2007	New Policy Adoption	Payment Policy committee
07/08/2017	Revision of policy	Payment Policy committee
08/03/2018	Maintenance	Payment Policy Committee

The materials provided to you are guidelines used by this plan to authorize, modify, or deny care for persons with similar illness or conditions. Specific care and treatment may vary depending on individual need and the benefits covered under your contract. These Policies are subject to change as new information becomes available.