blue of california

Payment Policy

Physical Medicine	
Original effect date:	Revision date:
09/20/2013	01/01/2024

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 payment policy is intended to serve as a general overview and does not address every aspect of the claims reimbursement methodology. 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

Physical medicine is defined as the use of physical means in the diagnosis and treatment of disease or injury. It includes but is not limited to the use of therapeutic procedures, active wound care management, tests and measures, orthotic and prosthetic management and the use of various physical agents applied to produce therapeutic changes to biologic tissue. These services are provided to meet the functional needs of a patient who suffers from physical impairment due to disease, trauma, congenital anomaly or prior therapeutic intervention. These services are designed to achieve specific diagnosis related goals in a patient who has a reasonable expectation of achieving measurable improvement in a reasonable and predictable period of time. This payment policy only addresses the reimbursement for Physical medicine procedure codes and does not address the medical necessity.

Policy

The Physical Medicine Payment Policy applies to all licensed provider types billing physical medicine codes.

Non-Payable procedures

CPT code 97124 is not reimbursable when provided by massage therapists. This code may be provided by other licensed providers.

Reimbursement is not provided for Evaluation and Management (E/M) codes (99050-99499) when billed by a physical therapist or occupational therapist.

Multiple Procedure Payment Reduction

The following will be processed using a tiered reimbursement methodology, when billing multiple services, individual services, or multiple units of the same service, will be based on the highest to lowest RVU value and will be reimbursed at a percentage of the current fee schedule.

CPT codes 97001-97799, HCPCS Level II codes G0281-G0283, and other CPT and HCPCS Level II codes that define the following services: Physical Medicine and Rehabilitation; Therapeutic Procedures; Active Wound Care Management; Orthotic and Prosthetic Management.

CPT codes 98940-98943—Chiropractic Manipulation.

The Multiple Procedure Payment Reduction (MPPR) will apply, as published below, for all physical therapy, electrical stimulation, and chiropractic manipulation services.

Procedure Unit	Percentage of Reimbursement
First unit with highest Relative Value Units RVUs	100% of allowed amount
Second unit with the next highest RVUs	85% of allowed amount
Third unit with the next highest RVUs	40% of allowed amount
Fourth unit with the next highest RVUs	40% of allowed amount
Fifth and subsequent procedure units	10% of allowed amount

Rationale

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 for adjudication of professional claims 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.

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.

Codes Impacted
All codes within scope of licensure

Resources

- **American Medical Association**
  https://www.ama-assn.org/ama
- **Centers for Medicare & Medicaid Services**
  https://www.cms.gov/

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
09/20/2013	New Policy Adoption	Payment Policy Committee
11/25/2015	Revision	Payment Policy Committee
07/01/2016	Revision	Payment Policy Committee
02/11/2017	Maintenance	Payment Policy Committee
07/08/2017	Maintenance	Payment Policy Committee
01/01/2018	Maintenance	Payment Policy Committee
08/03/2018	Maintenance	Payment Policy Committee
01/01/2024	Added code range G0281-G0283	Payment Policy Maintenance

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 an enrollee's contract.

These Policies are subject to change as new information becomes available.