Private Payer Engagement

Brent Moody, MD; Mollie MacCormack, MD; Louis A. Terranova, MHA

PRACTICE **POINTS**

- The American Academy of Dermatology Association routinely interacts with private medical payers on behalf of dermatologists and to insure access to dermatologic care for patients.
- Members of the American Academy of Dermatology are encouraged to work with the association when issues with payers arise.

Private payers or commercial insurers play an ever-increasing role in physician payment policy. Effective interaction with these groups is an important part of organized dermatology's function.

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Payer Advocacy in Dermatology

Frustrations with payers is a common source of annoyance among dermatologists. Payment rules can seem arbitrary, ever-changing, and not uniform among the various payers. Keeping track of payer requirements can be nearly impossible.

To assist members in handling these concerns, the American Academy of Dermatology Association (AADA) created the Patient Access and Payer Relations (PAPR) committee, which seeks to promote patient access to dermatologic care by addressing issues that may arise with private payers. The committee utilizes a multipronged approach to develop strategies to educate payers on the value of dermatology, addressing systematic payment issues as they arise over time, and building relationships with insurers and employers to promote coverage and payment policies allowing for the highest quality of dermatologic care. The committee is comprised of practicing dermatologists who meet regularly to help guide and implement the AADA's payer advocacy initiatives.

Identifying payer contacts and forging working relationships is a cornerstone of payer advocacy. In addition to patient access to quality dermatologic services, fair reimbursement is always a primary concern.

Hot Topics in Payer Advocacy

How to Use Modifier −25 Appropriately—The AADA has been advocating for appropriate coverage and reimbursement for services billed by dermatologists; recent examples include assuring appropriate payment for services reported with modifier −25, which is used when a procedure such as a biopsy is performed on the same day as a separate and unrelated evaluation and management (E/M) service, such as psoriasis management. Some payers claim the concurrent nature of the services results in an overlap of office expenses such that these claims should be paid at a lesser amount; however, when procedure codes are frequently billed in association with an office visit, that overlap has already been accounted for as part of the code valuation process, negating the need for additional reduction.

The AADA PAPR committee has created numerous resources for our members to ensure they are using modifier −25 appropriately, particularly now that the US Department of Health and Human Services Office of the Inspector General (OIG) has announced a work plan to audit dermatologists claims reporting modifier −25.[1] The AADA immediately formed a work group, including PAPR committee members, to develop and employ

Dr. Moody is from Heritage Medical Associates, Nashville, Tennessee. Dr. MacCormack is from Southern New Hampshire Health, Nashua. Mr. Terranova is from the American Academy of Dermatology Association, Rosemont, Illinois.

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Correspondence: Brent Moody, MD (BRMoodyMD@yahoo.com).

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a strategy to educate key decision-makers on the correct use of modifier −25 and highlight appropriate resources to guide members. An introductory call was held with the OIG audit team to discuss the appropriate use of modifier −25 in dermatology as the OIG prepares to develop the parameters of its audit sometime in the future (AADA, unpublished data, 2021).

Working With Dermatology Societies on Payer Issues—The American Academy of Dermatology Association PAPR committee works collaboratively with members of the American Academy of Dermatology, state and local dermatology societies, and private payers to alleviate administrative burdens for dermatologists, maintain appropriate reimbursement for furnished services, and ensure patients can access covered quality care. Collaboration with state dermatology societies is essential to address payer issues that impact their members and provide guidance on effective engagement with their state payers. Recent examples include working with dermatology societies in Massachusetts, Rhode Island, and Florida on strategies to advocate against modifier −25 payment reductions by insurance carriers (AADA, unpublished data, 2021). Additionally, the AADA PAPR committee has been able to provide guidance and technical support as needed to state dermatology societies, such as to the Rhode Island Dermatology Society and the Pennsylvania Academy of Dermatology and Dermatologic Surgery to address payer quality metrics and access to laboratory services, respectively (AADA, unpublished data, 2021).

Patient Access to Affordable Treatments—American Academy of Dermatology Association payer advocacy is anchored to published position statements and clinical guidelines. To strengthen AADA advocacy on payer-mandated drug substitutions for nonmedical reasons and to preserve patient access to medications, the PAPR committee collaborated with the American Academy of Dermatology's Drug Pricing and Transparency Task Force to update the AADA Position Statement on Patient Access to Affordable Treatments[2] to address this issue. Essentially, patients who are stable on a medication should be allowed to keep using the same medication without payers changing their coverage for nonmedical reasons or by offering financial incentives to switch.

Relationships With Major Insurance Carriers—Integral to the PAPR committee's private payer advocacy success are our proactive relationships with major insurance carriers. In 2021, the PAPR committee established quarterly dermatology-specific meetings with the major national carriers. In nurturing these relationships, the PAPR committee has been able to expand on opportunities to provide payer policy reviews as well as identify dermatologists as subject matter experts available to payers to assist with physician panels or policy reviews. These regular contacts also have proved beneficial in addressing issues raised by members; a few such examples include when one major payer reversed its denials on dermatologists' claims for *Current Procedural Terminology* code 88304 (surgical pathology, gross and microscopic tissue exam) after it was brought to their attention by the AADA (AADA, unpublished data, 2021). This payer worked with its external vendor to correct the denials. When the AADA learned that another major payer was improperly denying payment for claims for 1 stage of Mohs micrographic surgery reported using *Current Procedural Terminology* code 17311, we worked with contacts at this payer to resolve the issue. They were receptive to our concerns and readily researched the issue. Leadership of the PAPR committee continued working with the AADA coding team and this payer to develop training guidance to prevent future denials, and the payer has reviewed prior denials and reprocessed claims for payment (AADA, unpublished data, 2021).

E/M Coding Issues

Another issue under consideration by several national insurers is E/M-level reassignment. Payers are reviewing claims from providers who are identified as coding at a higher E/M level as compared to their specialty peers. Some insurance carriers are using proprietary algorithms that attempt to link specific diagnoses to certain levels of E/M, triggering claim edits within their claim processing systems (AADA, unpublished data, 2021). The carrier will then either deny the claim or adjust reimbursement to a lower-level E/M service. In discussions with a national carrier on its E/M Leveling Program, the AADA has offered to work with them on appropriate E/M documentation and reporting (AADA, unpublished data, 2021). The AADA also has extensive member resources for guidance on E/M reporting as well as preparing for audits and appealing payer downcoding developed by the coding staff in conjunction with the Coding and Reimbursement Committee.

Recent Efforts From the AADA

Within the AADA, the PAPR committee works closely with the coding, practice management, and regulatory teams to address payer issues and develop resources for members. Recent examples include resources for dermatology practices on the No Surprises Act and what practices need to do to comply (AADA, unpublished data, 2021). The PAPR committee also works collaboratively with other AADA committees and task forces on payer issues as needed; for example, the PAPR committee has been working with the Dermatopathology Rapid Response committee to address member concerns regarding access to the pathology laboratory of their choice. Many payers are seeking to consolidate and save money by requiring the use of preferred laboratories, which impacts patient access to physician office laboratories and physician-recommended reference laboratories. The AADA, along with other medical specialties, has advocated for payers to not create a restrictive network of pathology laboratories within their provider networks

and to support dermatologists' laboratories of choice (AADA, unpublished data, 2021).

Within the payer space, the role of employers in impacting payment and coverage policies continues to rise. In 2021, the AADA leadership approved the employer outreach strategy to engage employers. The overall objectives are to advocate to employers on the value of dermatologic care and access to care provided by board-certified dermatologists. This is a long-term project that is just getting underway (AADA, unpublished data, 2021).

Payer Resource Center for AADA Members

To ensure that AADA members have the resources they need to advocate with payers as well as to keep the PAPR committee aware of emerging payer issues, the AADA created a new private payer resource center for members (https://www.aad.org/member/advocacy/priorities/payer-advocacy), which assists AADA members with common dermatologic concerns with insurers as well as contracting issues. The website also includes an email address for members to report payer issues (privatepayer@aad.org). This information helps the PAPR committee identify and prioritize issues of concern.

Final Thoughts

Given the control that private insurance companies exert over the health care that dermatology patients can access, the AADA in general and the PAPR committee specifically play a valuable role in advocating access to care for dermatology patients.

REFERENCES

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