

## Major Revision of Outpatient Evaluation and Management (E&M) Codes

There is a major revision of outpatient evaluation and management (E/M) codes of the CPT billing codes starting in Jan. 1, 2021, with streamlined documentation requirements and other changes including a number of proposals that are favorable to psychiatrists. The CMS proposed rule on the [2021 Physician Fee Schedule and Quality Payment Program](#) was released on August 3, 2020.

CPT stands for Current Procedural Terminology, a set of diagnostic and procedural codes used for billing medical services, developed by the American Medical Association (AMA) and adopted by the Center for Medicare and Medicaid Services (CMS) and insurance carriers. They have not been significantly revised for 30 years, and psychiatric and mental health services were only included in these billing codes in the last decade or so. This allowed for psychiatric services to be billed (theoretically) at parity with other medical and surgical specialties. This was a major breakthrough in psychiatry's inclusion in the "house of medicine," and led to increased payment by insurers for psychiatric services, although reimbursement rates for psychiatry have significantly lagged other medical specialties due to non-compliance with federal parity legislation and the "carve-out" of mental health services from insurance products.

The new proposed changes E/M code changes were based on public comment from physicians with the goal of decreasing unnecessary documentation including the necessity for redundant documentation of the patient's unchanged history and the scoring for physical examination components when those features were not part of the medical decision making which went into the medical service. In essence, the billing codes have less emphasis on a score for components of the documentation and have more emphasis on the degree of medical decision making (MDM), and hence hopefully accurately reflect the actual practice of medicine. The terms used to describe MDM are less vague and general. The appropriate level of E/M service beginning in Jan 2021 will be based on the following:

- The level of the MDM as defined for each service; or
- The total time for E/M services performed on the date of the encounter.

Key changes include an 8% increase for psychiatric services (not shared by psychology or Social work) and the option to bill for E/M based on time alone. Per an APA summary of the changes, "CMS has increased the valuation of specific psychiatric services that they believe are analogous to the office E/M visits. This includes the psychiatric diagnostic evaluation and psychiatric diagnostic evaluation with medical services, and the three stand-alone psychotherapy services (90832, 90834, 90837). However, CMS is not proposing to extend the increase to the psychotherapy add-on codes used by psychiatrists when providing psychotherapy along with E/M services. It appears the increase in values for select psychiatric services was done to mitigate the cuts psychologists and social workers would experience from the budget neutrality adjustment...The increase to the total allowed charges for psychiatry is estimated to be 8% and 0% for psychologists and social workers. The overall impact of these proposals on individual psychiatrists will depend on their coding patterns."

These changes are summarized in detail in this PowerPoint presentation by the AMA (<https://www.ama-assn.org/system/files/2020-04/e-m-office-visit-changes.pdf>) which includes redlined versions of the changes for codes 99201-99205 (99201 is eliminated) and 99211-99215.

In addition, the APA reports that “CMS has increased payments for psychiatric collaborative care management (CoCM) which was described in last month’s newsletter and transitional care management codes. They have proposed to add a shorter-timed code to the CoCM family of codes for those months that require less time.”