AMERICAN PSYCHIATRIC ASSOCIATION

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July 14, 2026

Ravi Kavasery, M.D.
Senior Vice President and Chief Medical Officer
Blue Shield of California
601 12th St.
Oakland, CA 94607

Jennifer Nuovo, M.D.
Chief Medical Officer
Blue Shield Promise Health Plan
3840 Kilroy Airport Way
Long Beach, CA 90806

RE: Blue Shield California Psychotherapy Add-on with Evaluation & Management Services and Modifier 25 Reimbursement Policies

Dear Dr. Kavasery and Dr. Nuovo:

On behalf of the American Psychiatric Association (APA), representing over 40,000 psychiatrists, we write to express our concerns regarding two Blue Shield of California payment policies affecting reimbursement for psychotherapy add-on services reported in conjunction with Evaluation and Management (E/M) services.

Specifically, APA is concerned with:

1. Blue Shield of California's payment policy requiring physicians to append modifier 25 to E/M services reported with psychotherapy add-on codes 90833, 90836, and 90838; and

2. Blue Shield of California Promise Health Plan's reimbursement policy (P10061) denying payment for psychotherapy add-on codes 90833, 90836, and 90838 when billed with E/M codes 99204, 99205, 99214, or 99215 because it is deemed "unlikely that the combined time for both services would be significant enough to allow separate reimbursement."

APA supports appropriate claims oversight and accurate coding. However, we believe these policies are inconsistent with CPT® guidance, create unnecessary administrative and compliance burdens, and may adversely affect patient access to timely, integrated psychiatric care.

The psychotherapy add-on codes (90833, 90836, and 90838) were established by the CPT Editorial Panel specifically to report psychotherapy furnished during the same encounter as an E/M service by the same physician or other qualified

health care professional. CPT already requires that the E/M and psychotherapy services be separately identifiable, that psychotherapy time be documented separately from E/M activities, and that psychotherapy time not be counted toward the E/M service when time is used for code selection.

CPT does not require modifier 25 when psychotherapy add-on codes are reported with an E/M service. Because psychotherapy codes 90833, 90836, and 90838 are add-on codes that are intended to be reported only in conjunction with an E/M service, requiring modifier 25 creates unnecessary administrative and compliance burdens by requiring psychiatrists to submit Blue Shield claims differently than claims submitted to Medicare and most other commercial payers.

APA is also concerned by Blue Shield Promise's reimbursement policy categorically denying psychotherapy add-on codes when billed with higher-level E/M services. CPT and CMS do not prohibit reporting psychotherapy add-on codes with E/M codes 99204, 99205, 99214, or 99215. To the contrary, many patients with serious mental illness, acute psychiatric symptoms, suicide risk, or complex medical and psychiatric comorbidities appropriately require both high-complexity medical decision making and psychotherapy during the same encounter.

CPT recognizes that psychotherapy and E/M services may appropriately be performed during the same encounter, provided the services are separately identifiable and documented in accordance with CMS and CPT guidance. If concerns exist regarding individual claims, those claims should be evaluated based on the documentation supporting the services rendered, rather than a blanket policy denying reimbursement based solely on the combination of CPT codes.

APA has received questions and concerns from psychiatrists regarding Blue Shield's policy stating that reimbursement for psychotherapy add-on codes will not be allowed when *billing or clinical* documentation does not support compliance with the applicable reporting and payment requirements. It is unclear whether this language means reimbursement determinations may be made based solely on information submitted on the claim or after consideration of the supporting medical record documentation. We would appreciate additional clarification regarding how these claims are reviewed and adjudicated.

We have also heard from psychiatrists across California that implementation of these policies has resulted in delayed reimbursement, repeated requests for medical records, prepayment review of claims, and increased administrative burden.

APA is also concerned that these policies may raise questions under the Mental Health Parity and Addiction Equity Act (MHPAEA) if comparable documentation requirements, prepayment review, modifier policies, or reimbursement restrictions are not applied to analogous medical and surgical services.

These policies risk increasing practice costs, delay payment for medically necessary psychiatric services, and divert physician and staff time away from patient care. At a time when California continues to face significant behavioral health workforce shortages, policies that create additional

barriers to providing integrated psychiatric treatment may ultimately reduce access to care for patients with the greatest clinical needs.

Accordingly, APA respectfully requests that Blue Shield:

- Align both payment policies with nationally recognized CPT coding standards and CMS guidance.
- Rescind the Blue Shield of California requirement to append modifier 25 when reporting E/M services with psychotherapy add-on codes 90833, 90836, and 90838.
- Rescind the Blue Shield of California Promise policy categorically denying psychotherapy add-on codes when billed with E/M codes 99204, 99205, 99214, and 99215.
- Meet with the American Psychiatric Association, the American Medical Association, the California Medical Association, and other relevant stakeholders to discuss these issues and identify an approach that promotes accurate coding while minimizing unnecessary administrative burden and preserving patient access to psychiatric care.

APA appreciates your consideration of these concerns and welcomes the opportunity to discuss these issues further. Please contact Becky Yowell or Ben Eichberg (qualityandpayment@psych.org) with any questions or for more information.

Sincerely,

Kristin Kroeger
Vice President, Advocacy, Policy, & Practice Advancement
American Psychiatric Association

cc: **Becky Yowell**, Senior Director, Reimbursement Policy and Quality (via email at BYowell@psych.org)

Ben Eichberg, Senior Manager, Reimbursement Policy (via email at BEichberg@psych.org)