American College of Emergency Physicians®

ADVANCING EMERGENCY CARE

Downcoding and Denials: ED Claims and Insurer Policies

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Overview

- Downcoding and Denials
- Prudent Layperson Standard
- Examples of Insurer Policies
- Advocacy Perspective
- Final Thoughts

Relevant Resources on the ACEP Website

We track bad payer behavior constantly through the Reimbursement and Coding Committees and have these resources available:

- A list of templated letters for appealing denied claims based on the reason for the denial:
https://www.acep.org/administration/reimbursement/templated-letters-for-appealing-denied-claims/templated-letters-for-appealing-denied-claims/

- A list of over 40 Frequently Asked Questions (FAQs) on coding and reimbursement arranged alphabetically by topic:
https://www.acep.org/administration/reimbursement/reimbursement-faqs-1/

- The State Advocacy Overview including a list of relevant topics:
https://www.acep.org/state-advocacy/state-advocacy-overview/

Downcoding

- Claims that are paid at a lower level than billed to insurers by a provider
  - Centene (Medicaid) 2019-Present
    - ED leveling procedure to down code non-emergent care based on a primary diagnosis code
    - Most 99285 claims downcoded to a 99283 or denied based on a list of codes. No claim review.
    - Arizona successfully removed this policy in 2019, but it continues in other states

Denials

- Claims that are denied either initially or retroactively by an insurer
  - Anthem Blue Cross-Blue Shield non-emergent use of the ER policy (July 2017- present)
  - Deny coverage for emergency patients based on an internal, unpublished list of 2,000+ diagnoses
  - Unlawful – violates PLP as patients are expected to self-diagnose

Prudent Layperson Standard (PLP)

- Perform a medical screening examination (MSE) to evaluate a patient for an emergency medical condition
- If an emergency medical condition is found to exist, stabilize the patient
- Within the capabilities of both the facility and the provider, patients have a right to at least an MSE and stabilization – not post- stabilization care!

One thing to Remember:

Final diagnosis *does not* determine reimbursement

Realities of PLP Requirements

- Insurers say the majority of ED visits end with a diagnosis for something that is not an emergency
  - Insurers also say: “If you think you are having an emergency, you should seek emergency care”
- Increasing ED utilization is expensive and unnecessary
  - ED utilization has not exceeded the normal rate of inflation
- Plan members are better served in other acute care settings
  - Urgent and primary care are encouraged as alternatives to the ED

Examples of PLP Violating Policies

- Diagnosis lists
  - List of all presenting diagnoses that are deemed non-emergent
- Leveling of services
  - Services that can only be billed at a 99284 or lower
- Time limits
  - Patients presenting to the ED that could have sought care elsewhere based on the time between the presenting issue and seeking care

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Fighting Downcoding and Denials and Winning

What can we do?

- Contact your appropriate state regulatory agency, and report violations of PLP
- Track downcoding and denials and have redacted EOBs and statements at the ready
- Keep sending denied claims back to the insurer – it costs them money to deny claims, and copy the state Insurance Commissioner
- Contact ACEP if you receive a letter from an insurer implementing a new non-emergent use of the ED policy
- Advocate for fair and reasonable coverage for emergency care to your state and federal legislators
- Encourage patients not to delay necessary care

Final Thoughts

- Insurers denying claims based on the FINAL diagnosis instead of the SYMPTOMS will continue
- Shifting health care costs to patients in a PLP situation is ILLEGAL and should be reported
- Contact ACEP with denials, downcoding

QUESTIONS?

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