August 31, 2026

Dr. Derek Robinson, M.D.
Chief Health Officer
Health Care Service Corporation
300 E. Randolph Street
Chicago, IL 60601

RE: Health Care Service Corporation and Blue Cross Blue Shield's Evaluation and Management Claims Editing and Downcoding Policy Effective July 1, 2026

Dear Dr. Robinson,

On behalf of the American Psychiatric Association (APA), American Academy of Child and Adolescent Psychiatry (AACAP), and their state associations representing more than 40,400 psychiatrists and 11,000 child and adolescent psychiatrists, we write to express our concerns regarding Health Care Service Corporation and Blue Cross and Blue Shield's (HCSC/BCBS) new claims editing and review process for Evaluation and Management (E/M) services that became effective July 1, 2026.

APA and AACAP support appropriate claims oversight and accurate coding consistent with CPT® guidance. However, we are concerned that HCSC/BCBS's new policy may result in automatic or routine downcoding of appropriately reported E/M services, creating unnecessary administrative burden, delaying reimbursement, and threatening patient access to psychiatric care.

Since implementation of the policy, APA and AACAP have heard from psychiatrists practicing in Illinois, Oklahoma, Texas, Montana, and New Mexico reporting that nearly all of their 99215 and 99214 office visit claims have been routinely downcoded to lower-level services without any apparent individualized review or explanation beyond a generic adjustment code. Psychiatrists report spending significant uncompensated time appealing these determinations, often without understanding the clinical criteria being applied or whether their documentation was reviewed before payment was reduced. These administrative burdens fall especially hard on solo and small psychiatric practices that lack dedicated billing and compliance staff.

Psychiatrists routinely care for patients with serious mental illness, serious emotional distress, suicide risk, substance use disorders, and multiple psychiatric and medical comorbidities. These encounters frequently involve moderate- or high-complexity medical decision making that appropriately supports higher-level E/M services under current CPT coding standards and CMS guidelines. If concerns arise regarding the reported level of service, the claim should be evaluated by a psychiatrist or other qualified clinical reviewer with experience managing the conditions and services at issue, based on the supporting medical documentation, rather than through broad claims editing processes that routinely reduce reimbursement for higher-level psychiatric services.

APA and AACAP are particularly concerned that HCSC/BCBS implemented this policy despite legislation in each of the affected states prohibiting the practice, including prompt payment statutes, and shortly before Illinois enacted the Transparency in Downcoding Act, which becomes

effective January 1, 2028, which prohibits automatic downcoding through algorithms or artificial intelligence, requires review by a qualified physician based on the supporting documentation, requires clear notification of the clinical reason for downcoding on remittance advice, and establishes a meaningful physician appeal process.

HCSC's downcoding policy is creating unnecessary administrative burden, undermines fair reimbursement, and may ultimately reduce patient access to care. At a time when Illinois, Oklahoma, Texas, New Mexico and Montana continue to face significant shortages of behavioral health professionals, policies that reduce reimbursement, increase administrative burden, and discourage physicians from participating in insurance networks ultimately threaten patient access to timely psychiatric care.

Accordingly, APA, AACAP, and their state associations respectfully request that HCSC/BCBS:

- Provide greater transparency regarding the methodology used to identify evaluation and management claims for downcoding.
- Clearly communicate the specific clinical rationale for any downcoded claim and provide physicians with a timely, efficient, and transparent appeal process.
- Voluntarily align its downcoding practices with the principles embodied in the legislation prohibiting downcoding, including prompt payment, and good faith business practices statutes, among others.
- Meet with the American Psychiatric Association and American Academy of Child and Adolescent Psychiatry and other stakeholders to discuss this policy and identify an approach that promotes accurate coding while reducing unnecessary administrative burden and preserving patient access to psychiatric care.

APA and AACAP appreciate your consideration of these concerns and welcome the opportunity to discuss these issues further. Please contact Maureen Maguire, MMaguire@psych.org, or Ben Eichberg, BEichberg@psych.org with any questions or concerns.

Sincerely,

American Psychiatric Association
American Academy of Child and Adolescent Psychiatry
Illinois Psychiatric Society
Illinois Council of Child and Adolescent Psychiatry
Montana Psychiatric Association
Montana Association of Pediatric Psychiatrists
New Mexico Psychiatric Medical Association
New Mexico Council of Child and Adolescent Psychiatry
Oklahoma Psychiatric Physicians Association
Texas Society of Psychiatric Physicians
Texas Society of Child and Adolescent Psychiatry