August 31, 2026

Brian Snell
President
Blue Cross and Blue Shield of Illinois
300 E. Randolph Street
Chicago, IL 60601

RE: Blue Cross and Blue Shield of Illinois' Evaluation and Management Claims Editing and Downcoding Policy Effective July 1, 2026

Dear Mr. Snell,

On behalf of the American Psychiatric Association (APA), American Academy of Child and Adolescent Psychiatry (AACAP), Illinois Psychiatric Society (IPS), Illinois Council of Child and Adolescent Psychiatry (ICCAP), representing more than 40,400 psychiatrists and 11,000 child and adolescent psychiatrists, we write to express our concerns regarding Blue Cross and Blue Shield of Illinois' new claims editing and review process for Evaluation and Management (E/M) services that became effective July 1, 2026.

APA supports appropriate claims oversight and accurate coding consistent with CPT® guidance. However, we are concerned that BCBSIL'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, AACAP, IPS, and ICCAP have heard from Illinois psychiatrists 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 disturbance, 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.

BCBSIL's August 20, 2026 response to Illinois Psychiatric Society's August 18 letter states that the policy is not an automatic downcoding process and that claims identified for review are evaluated by a registered nurse and/or coder. However, this explanation does not resolve the concerns

reported by Illinois psychiatrists. Members continue to report that claims submitted in accordance with the AMA's CPT E/M criteria are being downcoded, while the proper claim adjustment reason codes and/or remittance advice remark codes do not clearly identify the clinical basis for the reduction. This is counter to AMA policy, which states:

> The American Medical Association vigorously opposes health plans using software, algorithms, or methodologies, other than manual review of the patient's medical record, to deny or downcode evaluation and management services, except correct coding protocol denials, based solely on the Current Procedural Terminology/Healthcare Common Procedure Coding System codes, International Classification of Diseases, 10th revision, codes, and/or modifiers submitted on the claim.

BCBSIL's statement also does not address whether the reviewer has appropriate expertise in psychiatric care, and what methodology is being used to flag these claims for additional review.

APA, AACAP, IPS, and ICCAP are particularly concerned that BCBSIL implemented this policy shortly before Illinois enacted the Transparency in Downcoding Act, which becomes effective January 1, 2028. The Act reflects a clear determination by Illinois policymakers that downcoding decisions should be transparent, clinically justified, and based on individualized review rather than automated processes. Among other provisions, the Act 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.

Although these statutory protections will not become effective until 2028, the legislation demonstrates broad recognition that automatic downcoding creates unnecessary administrative burden, undermines fair reimbursement, and may ultimately reduce patient access to care. APA is concerned that Illinois physicians and their patients may remain subject to these practices for another eighteen months before the law takes effect.

At a time when Illinois continues 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, IPS, and ICCAP respectfully request that BCBSIL:

- 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 Illinois Transparency in Downcoding Act before its January 1, 2028 effective date.

- Meet with the American Psychiatric Association, American Academy of Child and Adolescent Psychiatry, Illinois Psychiatric Society, Illinois Council 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, AACAP, IPS, and ICCAP appreciate your consideration of these concerns and welcomes the opportunity to discuss these issues further. Please contact Ben Eichberg, BEichberg@psych.org or Maureen Maguire, MMaguire@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