

August 31, 2026

Mark Chassay, MD, MEd, MBA
Chief Medical Officer
Blue Cross and Blue Shield of Texas
PO Box 660044
Dallas, TX 75266-0044

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

Dear Dr. Chassay,

On behalf of the American Psychiatric Association (APA), American Academy of Child and Adolescent Psychiatry (AACAP), Texas Society of Psychiatric Physicians (TSPP), and Texas Society of Child and Adolescent Psychiatry (TSCAP), 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 Texas' (BCBST) new claims editing and review process for Evaluation and Management (E/M) services that became effective July 1, 2026.

APA, AACAP, TSPP and TSCAP support appropriate claims oversight and accurate coding consistent with CPT® guidance. However, we are concerned that BCBST'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, TSPP, and TSCAP have heard from Texas 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 disturbances, 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, AACAP, TSPP, and TSCAP are particularly concerned that BCBST's implementation of its downcoding policy violates Texas' [prompt pay statute](#) and [prohibition on the use of AI to delay or modify claims for health services](#). For covered HMO and insured PPO claims, the statute requires insurers to either pay the amount of the claim within thirty (30) calendar days for electronic and forty-five (45) calendar days for paper or send notice to the physician that reimbursement is being denied or partially denied, include the reasoning for the denial or partial denial, and request information needed in order for full reimbursement to be made on the submitted claim. Texas law does not permit insurers to proactively modify a service code on its own assessment and send payment for a lower code, placing the burden on the clinician or other person entitled to reimbursement to resubmit the initial claim and higher billing code.

BCBST's downcoding is creating unnecessary administrative burden, undermines fair reimbursement, and may ultimately reduce patient access to care.

At a time when Texas 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, TSPP, and TSCAP respectfully request that BCBST:

- 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 claims processing practices with the principles embodied in Texas' prompt pay and artificial intelligence (AI) laws.
- Meet with the American Psychiatric Association, the American Academy of Child and Adolescent Psychiatry, Texas Society of Psychiatric Physicians, Texas Society 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.

We appreciate your consideration of these concerns and would welcome 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
Texas Society of Psychiatric Physicians
Texas Society of Child and Adolescent Psychiatry