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American Academy of Pediatrics
DEDICATED TO THE HEALTH OF ALL CHILDREN®

July 28, 2025

Dear Dr. Greg Lizer,

I am writing on behalf of the American Academy of Pediatrics, a non-profit professional organization of 67,000 primary care pediatricians, pediatric medical subspecialists, and pediatric surgical specialists dedicated to the health, safety, and well-being of infants, children, adolescents, and young adults to express my concerns about policy R49, Evaluation and Management Coding and Accuracy,[i] effective October 1, 2025.

Policy R49 intends to reduce evaluation and management (E/M) codes of moderate and high complexity by a single level when the encounter criteria on the claim does not support the higher-level E/M Current Procedural Terminology (CPT®) code reported. Reduction of the code level will occur without review of the documentation. This is an inappropriate application of American Medical Association (AMA) CPT and National Center for Health Statistics and Centers for Medicare and Medicaid Services International Classification of Diseases, Tenth Revision, Clinical Modification (ICD-10-CM) guidelines.[ii,iii]

As you are aware, extensive changes were made to the E/M code set and reporting guidelines in 2021 and 2023. These updates were designed to reduce the documentation burden and to make documentation requirements clinically relevant. Under these new guidelines, physicians may select a level of service based on either Medical Decision Making (MDM) or total time spent on the date of the encounter. For MDM, the problem addressed at a visit does not need to be used in code selection when the data has been reviewed and analyzed, and the risk of patient management falls within moderate or high MDM based on clinical documentation.

ICD-10-CM codes do not alone determine the appropriate E/M level. Information on the claims submitted is insufficient to use as a determination to automatically lower the contracted payment rates outlined in our members' contracts with Cigna. Further, in accordance with the Health Insurance Portability and Accountability Act (HIPAA) Administrative Simplification rules (Code of Federal Regulations Title 45 Subtitle A Subchapter C Part 162 Subpart J § 162.1000),[iv] payers are required to adhere to the national medical data code sets and coding guidelines when processing claims. These rules are not optional and apply equally to insurers and physicians alike.

We support the American Medical Association's principle that it is never appropriate to automatically downcode claims without first reviewing the medical record. In the few instances where a claim is subject to downcoding, physicians should have an opportunity to provide supporting clinical documentation before payment is reduced, not after[v]

This policy places a significant administrative and financial burden on pediatricians and other frontline physicians. By downcoding claims without first reviewing medical records or allowing physicians to provide supporting documentation beforehand, the policy forces providers into time-consuming and resource-intensive appeals processes, often just to be paid appropriately for care already delivered. This is particularly harmful to smaller or independent pediatric practices that lack or have minimal dedicated billing and coding support. It undermines the intent of recent E/M documentation reforms aimed at reducing administrative workload and instead reinstates the very burdens those reforms were meant to eliminate. Ultimately, policies like this divert valuable time and resources away from patient care.

To address this issue constructively, we ask your organization to do the following:

- Require medical record review before downcoding any E/M code and adopt the AMA's standard that no claim should be downcoded without first reviewing the medical record
- Ensure All E/M review criteria are fully aligned with AMA CPT® Guidelines
- Discontinue the use of ICD-10-CM codes alone as justification for downcoding Evaluation and Management (E/M) services
- Honor physician discretion in selecting the coding method (time or MDM) as per the 2021/2023 guidelines

We would welcome the opportunity to discuss this further. If you have questions, need additional information, or would be willing to schedule a meeting with AAP subject matter experts to review these concerns and explore solutions, please contact Eric Lenzo, MHA, Senior Director of Child Health Finance & Payment Strategy, at elenzo@aap.org or 630/626-6209.

Sincerely,

Susan J Kressly MD, FAAP

Susan Kressly, MD, FAAP
President

[i] https://static.cigna.com/assets/chcp/secure/pdf/resourceLibrary/clinReimPolsModifiers/R49_Evaluation_and_Management_Coding_Accuracy.pdf

[ii] https://www.ama-assn.org/practice-management/cpt/cpt-evaluation-and-management

[iii] https://ftp.cdc.gov/pub/Health_Statistics/NCHS/Publications/ICD10CM/2025/icd-10-cm-FY25-guidelines-october%20-2024.pdf

[iv] https://www.ecfr.gov/current/title-45/subtitle-A/subchapter-C/part-162/subpart-J/section-162.1002

[v] https://www.ama-assn.org/system/files/payer-em-downcoding-resource.pdf