Prepayment Downcoding Checklist

Downcoding is the practice of paying based on a lower-level code than what was originally billed. Some claims editing software will automatically downcode higher-level evaluation and management codes (CPT® codes 99214 or 99215) to lower CPT codes based on diagnosis code(s). This checklist outlines steps to take to identify and appeal downcoding.

1. **Ascertain if prepayment downcoding edits have been applied to you.** Look for evidence of downcoding, which includes, but is not limited to, the following:
    a. Claims that your practice submitted for CPT 99214 or 99215 that were paid lower than your contractual rate for those codes
    b. Claims that your practice submitted for CPT 99214 or 99215 that were changed to a lower CPT code (e.g., 99213) and paid at the contractual rate for the lower code
    c. Remark codes indicating the E/M code has been reduced or changed
2. **Next, affirm which providers are impacted.** In general, prepayment edits with downcoding are typically applied to providers who bill 99214 or higher for 50% or more of their E/M codes to a payer.
3. **Examine the notes for downcoded/underpaid services to check that the clinical documentation supports the level of coding.** Whether billing based on medical decision making or time, ask yourself if the documentation would support the original coding level submitted during an audit process.
    a. If not, work with your practice team to educate and improve on coding and documentation practices consistent with the 2021 E/M Outpatient Changes, and take advantage of AAP FAQs.
    b. If the visit documentation supports the submitted E/M CPT code, begin the appeal process.
4. **Appeal impacted claims.**
    a. Develop a spreadsheet or other tracking system to organize this work.
    b. Prepare for three levels of appeals. There may not be manual examination of the visit documentation and real consideration of overturning the claim until the second or third appeal.
    c. Submit ALL relevant clinical documentation to support coding.
    d. Ask for the payer's response to include a written explanation and sources for the basis of their decision.
5. **Determine your rights according to the following sources:**
    a. Your provider contract
        i. Identify clauses in your provider contract regarding major policy changes, the dispute process, prompt payment, and/or paying interest for late payments.

(Your provider contract, continued)

1. Check if notice and/or mutual consent is required for major policy changes, including those that impact payment.
2. Determine the process for disputes and requirements for responses to disputes.
3. Identify any language stating the payer must pay interest for not paying claims within the required timeframe after receipt of a clean claim.

b. State laws & processes
   i. Refer to https://managedcarelegaldatabase.org/state-laws-map/ for information on applicable laws in your state related to payment edits or prompt payment.
   ii. After following the appeal process with no resolution, consider informing your state Department of Health and Human Services or Department of Insurance.

c. Federal law
   i. Appropriate use of CPT codes is covered under the HIPAA Administrative Simplification Rule. If you believe that the payer administered prepayment downcoding edits that are not in keeping with the AMA defined use of CPT codes/descriptors, consider reporting this as a code set violation to CMS here: https://asett.cms.gov/ASETT_HomePage.

6. **Report patterns of downcoding to the Coding Hotline/Hassle Factor Form to help inform payer advocacy work:** https://form.jotform.com/Subspecialty/aapcodinghotline.