

IMPORTANT REIMBURSEMENT UPDATE:

Implementation of Payment Policy Initiatives Beginning March 1, 2026

DATE: 1/30/2026

Dear Provider,

Blue Cross Blue Shield of Arizona Health Choice is notifying you of upcoming payment policy implementations. Following a thorough analysis of claim cost trends for 2025, we will enact new payment policy initiatives effective for dates of service beginning March 1, 2026. These policies may affect your organization's billing procedures; please review them carefully and contact your Provider Performance Representative with any questions.

New Payment Policies:

Initiative #1. Sepsis DRG Coding. Due to increased sepsis cases, Health Choice has implemented new requirements for requiring full medical records for claims with APR-DRG 720.3 and 720.4 or for DSNP/ACA, MS-DRG 870 and 871 when the admission is 3 days or less and the patient is discharged (01) home or to (03) step-down care. The Clinical Coding Team will review these claims and members' medical records for coding accuracy.

Initiative #2. High Level E&M Codes billed with Psychotherapy Add-on Codes. Beginning with dates of service on or after 3/1/2026, any claim billed using E&M codes 99204, 99205, 99214, or 99215 in combination with a psychotherapy add-on code (90833, 90836, or 90838), will require medical records showing the start and stop times for each service performed. This documentation is essential for Health Choice to verify the total patient encounter time reflected by the billed CPT code combinations. Claims missing evidence of start and stop times within the member's documented medical records will not be reimbursed.

Initiative #3. Preventative Medicine E&M Codes billed in conjunction with Problem Oriented E&M Codes. When a patient visit that starts as a preventive service uncovers disease-related issues during the exam, the level of decision-making may be more complex than what is typical for a preventative visit. However, elements of the Preventive Medicine Services already include appointment scheduling, taking vital signs, and preparing the exam room; therefore, these are already included in the reimbursement for an E&M code. These overlapping practice expenses account for half the E&M cost. As a result, when preventive E&M codes (99381–99387, 99391–99397, G0402) are billed together with problem-oriented E&M codes (99202–99205, 99212–99215, G0463), the payment for the problem-oriented E&M code will be reduced by 50%.

Initiative #4. Behavioral Health Intensive Outpatient Treatment Billing. HCPC Code S9480 must be billed with a primary diagnosis of Behavioral Health that is not a diagnosis of substance use disorder. Claims billed with S9480 and the primary diagnosis is non behavioral health or substance use disorder will be denied.

We appreciate your partnership in working together to make healthcare affordable for your patients and our members. Formal copies of these policies can be found on our website as well as information included in Provider Newsletters and future Provider Forums.

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