



PSYCHIATRIC  
ALLIANCE  
*of the*  
BLUE RIDGE

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September 23, 2013

Anthony L. Pelonero, M.D., CPE  
Medical Director  
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Mail Drop VA 4005-R004  
Richmond, VA 23230

Dear Dr. Pelonero:

I am writing in response to your letter of September 12, 2013. I appreciate your time in responding to my letter of July 15, 2013.

I am hopeful that the decision regarding the particular patient addressed in my letter of July 15, 2013 can now be considered a precedent. That is, that the AMA's CPT codes for the treatment of psychiatric disorders will be considered by Anthem Blue Cross and Blue Shield of Virginia as applicable to all psychiatric disorders as defined by the DSM-IV and now DSM-5, if they present at a symptomatic level which would benefit from treatment.

I do, however, pointedly disagree with your subsequent comments. Specifically, I disagree with your contention that psychiatrists have appreciably lower practice costs than do other physicians who provide E&M services. In fact, the cost of practice for a psychiatrist performing E&M services is quite similar to the cost of other cognitive physicians when they perform E&M services. Since most other specialty areas in medicine have various procedures which are performed as part of the diagnosis and/or treatment of the conditions they treat, their higher costs are related to the equipment, space, and staff required for them to perform these procedures. However, when they do such a procedure, they will utilize a procedure code, which in terms of time utilized are typically reimbursed at higher rates than are E&M services. Thus, the higher practice costs they experience are not related to their provision of E&M services but rather are related to their use of these higher paying procedure codes. I would again remind you that the federal government evidently also does not agree with your interpretation in that they do allow psychiatrists to utilize E&M codes and reimburse them in parity with other cognitive physicians.

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Finally, it is rather unclear to me how to address your defense of Anthem's inability to react in as timely a fashion to the CPT code changes as was, by necessity, done by every practitioner and health care facility that needed to maintain economic viability. If, in fact, the inability to function successfully within the time frame that was met by practitioners, facilities, and the federal government as solely due to "unanticipated" issues, I am interested in knowing in what other areas Anthem unanticipates issues and does this unanticipation ever prove as costly to Anthem as it does to the patients and practitioners who must deal with the resultant delays and work duplications.

Again, as Chairman of the Managed Care Liaison Committee of the Psychiatric Society of Virginia and a member of the American Psychiatric Association Work Group on Health Reform and Parity, I appreciate your willingness to maintain a dialog relevant to these issues.

Sincerely,

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Psychiatric Alliance of the Blue Ridge  
Associate Clinical Professor  
University of Virginia  
Chairman, Managed Care Liaison Committee  
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