

Dermatology Coding Alert

Fee Schedule: Brace Your Practice for a 26.5 Percent Drop in Medicare Pay Next Year

Watch for deep cuts to some complex repair codes in 2013.

Every year at this time practices start the nail-biting process of waiting to see whether they will lose money simply because the calendar flips to a new year and the Medicare Physician Fee Schedule (MPFS) changes for the new year roll out.

CMS offers several bits of good news in its newly-finalized 2013 MPFS, including new transitional care management codes and associated payment -- but the agency also included a 26.5 percent conversion factor cut that could impact practices across-the-board if Congress doesn't act to reverse it before Jan. 1.

On Nov. 1, CMS released its Final Medicare Physician Fee Schedule for 2013. The 1,362-page document, which was published in the Nov. 16 Federal Register, offers a look into how the agency configures its RVU assignments, and shows just which specialties will escape drastic cuts to their reimbursement.

More Steep Cuts Will Hit

As most practices are aware, Congress voted earlier this year to eliminate a 27 percent Medicare payment cut that was supposed to kick in for 2012. Unfortunately, practices will have to play a waiting game once more next year and hope that legislators halt such cuts going forward, because the 2013 Fee Schedule includes a similar reduction, bringing the 2013 conversion factor down to \$25.0008.

"In the absence of Congressional action, an overall reduction of 26.5 percent will be imposed in the conversion factor used to calculate payment for physicians' services on or after January 1, 2013," the Fee Schedule says.

Further cuts for some specialties: The full extent of the changes to the Fee Schedule mean that neurologists will see a startling 7 percent cut to their total Medicare reimbursement in 2013, while pathologists will face 6 percent pay cuts. Independent laboratories will see a 14 percent combined impact.

Here's why: "Reductions for pathology, neurology, and independent laboratories are a result of the potentially misvalued care initiative," CMS says in the Final Rule.

Worse yet, the cuts could be steeper if Congress doesn't act to increase the conversion factor. "These impacts are estimated prior to the application of the negative 2013 Conversion Factor update," the Final Rule adds.

Dermatologists are projected to see a 0 percent combined impact to their reimbursements, according to a chart included in the Final Rule.

According to the American Academy of Dermatology, relative value units (RVUS) were maintained at roughly the current payment levels for most of the codes in the complex repair code family. However, the final 2013 fee schedule included a reduction to 13152 (Repair, complex, eyelids, nose, ears and/or lips; 2.6 cm to 7.5 cm) by 13 percent, and 13132 (Repair, complex, forehead, cheeks, chin, mouth, neck, axillae, genitalia, hands and/or feet; 2.6 cm to 7.5 cm) by 16 percent -- which are mostly due to a cut in physician work RVUs.

For 13152, the physician work RVU was cut 23.08 percent; the practice expense RVU was cut 4.4 percent. For 13132, the physician work RVU was cut 27.36 percent; the practice expense RVU was cut 7.59 percent, the AAD noted.

Primary care bonus: Other specialists (mainly primary care) will see pay raises under the proposal, rather than cuts. CMS has finalized a seven percent increase for family practitioners, a four percent boost for internal medicine physicians, and a five percent raise for geriatricians.