

## **Dermatology Coding Alert**

### **Part B Payment: Proposed 2014 Fee Schedule Suggests Steep Cuts**

**But in 2015, practitioners could finally see bonuses for non-face-to-face services administered to patients with chronic problems.**

You'll find good news and bad news in the proposed 2014 Medicare Physician Fee Schedule. The bad news is that the agency will be making across-the-board payment cuts via the conversion factor in addition to cuts that will impact labs and pathologists specifically. On the bright side, however, CMS has suggested an innovative new approach to handling patients with chronic issues by proposing primary care bonuses for following patients with two or more chronic conditions that could take effect in 2015.

That's the word from the proposed rule, which was published in the Federal Register on July 19, and which CMS representatives discussed in-depth at a July 16 CMS Open Door Forum.

Watch the Conversion Factor Take A Dip

CMS noted in the proposed rule that the confirmed conversion factor won't be released until the Physician Fee Schedule Final Rule is published this fall. However, based on current calculations, the conversion factor for 2014 is estimated to be \$26.7109, which reflects a 21 percent cut from the current conversion factor of \$34.0320.

Of course, in prior years, Congress has always voted to increase the conversion factor so that physicians don't face such steep cuts, but this means that 2014 will once again present the requirement to face a waiting game regarding pay.

Other Specialties Could Face Steeper Cuts

The potential cut in the conversion factor will unfortunately not be the only pay cut that the proposed Fee Schedule holds for medical practices.

According to the proposed rule, the combined impact of the 2014 changes will be - 2 percent for dermatology practices.

The hardest hit based on Medicare's proposal will be independent laboratories, which face a startling 26 percent projected cut. CMS points out, however, that this cut refers to Physician Fee Schedule Payments only, "which account for approximately 17 percent of independent laboratory payments from Medicare."

Also impacted negatively will be radiation therapy centers, which could face a 13 percent cut. Pathologists and radiation oncologists are projected to see pay drop by five percent, while interventional radiologists are expected to see a four percent cut. These cuts do not include the effect of a potential conversion factor change and are based on the assumption that the conversion factor will stay the same as the 2013 level, the proposal states.

Specialties that will see pay boosts under the proposal include clinical social workers, clinical psychologists, anesthesiologists, and emergency medicine, which are all expected to get a three percent pay raise based on the proposed rule.

Look Ahead to 2015 for Chronic Care Bonuses

If the 2014 Fee Schedule proposal looks dismal, you may be able to take solace in the potential bonuses that are proposed for 2015. "In this year's proposed rule, we propose to establish separate payment for complex chronic care management services beginning in calendar year 2015," said CMS's **Kathy Bryant** on the call. "We believe that this separate payment would recognize the critical non-face-to-face time and services of advanced primary care."

Because the new proposed codes are not restricted to face-to-face services, the codes would include 24-hour per day, 7-days-per week access and continuity of care access with one specific member of the health care team. "For these services, we believe that complex chronic care services would apply to patients with two or more complex chronic conditions. By that we specified those expected to last at least 12 months or until the death of the patient, and those that would place the patient at significant risk of death, acute exacerbation or functional decline."

Given the unique nature of the services, CMS has proposed that patients specifically consent to the services that will be administered throughout the year at the time of their annual wellness visit or welcome to Medicare exam.

"The practitioner that would be providing the services would be required to document in the medical record that the complex chronic care management services were explained to the patient, offered to the patient, and the patient accepted," Bryant said. "There are provisions that would allow the patient to switch practitioners or revoke informed consent," but the vision is that the same practitioner will stay with the patient throughout the year.

Typically, CMS expects a patient's annual wellness visit (AWV) provider to be the same person who provides the chronic care management services, the proposed rule states. But "for the less frequent situations when a beneficiary chooses a different practitioner to furnish the complex chronic care management from the practitioner who in the previous year furnished the AWV, the practitioner furnishing the complex chronic care management services would need to obtain a copy of the assessment and care plan developed between the beneficiary and the practitioner who furnished the AWV."

CMS plans to establish two "G" codes for the new chronic care services, the first of which will describe the initial visit, and the other to describe subsequent care. Each code will cover 90 days' worth of services. Both physicians and non-physician practitioners would be eligible to perform the services.

To read CMS's proposed 2014 Physician Fee Schedule rule, visit [www.gpo.gov/fdsys/pkg/FR-2013-07-19/pdf/2013-16547.pdf](http://www.gpo.gov/fdsys/pkg/FR-2013-07-19/pdf/2013-16547.pdf).