

Dermatology Coding Alert

Reimbursement: Medicare Physician Fee Schedule: Watch for Possible April Pay Cut

But an act of Congress can save the day.

So far this year, you should be experiencing little change in Medicare pay, thanks to a stipulation in the Protecting Access to Medicare Act of 2014 (PAMA) that halts sustainable growth rate (SGR) cuts until April 1, 2015.

But the ticking SGR time bomb, along with aggregate RVU changes that bode well or ill for service providers depending on their specialty, could mean that your dermatological practice's financial outlook is not that stable after all.

Read on to see what Medicare pay changes you might expect this year — both now and in the months to come.

Start the Year With (Somewhat) Steady CF

Although PAMA promised a flat conversion factor (CF) through March 31, you're actually getting paid based on a small decrease from the 2014 rate of \$35.8228, to 35.7547.

Notice change: Maybe you read the fee schedule final rule published in the Federal Register Nov. 30, 2014, that listed the CF as \$35.8013 for the period of Jan. 1 through March 31, 2015. So what's with a CF of 35.7547?

"The fee schedule published Nov. 30 appears to have an error in the conversion factor," said CMS's **Kathy Bryant** during a January CMS Open Door Forum. "The conversion factor that is in the new payment files is slightly lower than the CF in the final rule," she said. The new CF is 35.7547, which is a change of 0.0466 from the rate published in the Federal Register.

Worse news: If Congress does not act before April 1, 2015 to address the SGR formula or institute another temporary "patch," the CF for Medicare payments will fall by 21 percent to \$28.2239.

If Congressional tradition holds, that drastic cut will not occur, says **Michael A. Granovsky, MD, FACEP, CPC**, President of Logixhealth, a national coding and billing company based in Bedford, MA.

"We won't know until we get closer to April, but it's likely that Congress could just enact another patch at that time," predicts **Karen Ferguson**, senior director of public policy for the American Medical Group Association (AMGA).

Possibility: The final rule gives some hope that a permanent SGR fix may be possible, because for five consecutive years, actual expenditures have been below budgeted allowed expenditures, which would lower the cost of a true SGR fix. That savings may make a permanent fix, rather than a patch, more acceptable to Congress, says Granovsky.

No Impact in Dermatologists' RVU Outlook

Each year, CMS publishes an estimate of the expected change in payments by specialty, based on the work, practice expense (PE), and malpractice (MP) RVU changes in the PFS. For 2015, the estimate is that dermatologists will experience a 0% impact in payment.