

## Internal Medicine Coding Alert

### 2011 Fee Schedule: CMS Slashes 2011 Conversion Factor by Over 30 Percent Vs. Current Rates

#### Good news: New wellness visit codes get covered.

Get ready for another year of nail-biting to find out whether your Medicare payments will be slashed. "The calendar year 2011 Physician Fee Schedule conversion factor is \$25.5217," notes the 2011 Medicare Physician Fee Schedule Final Rule, printed in the Federal Register that will be published on Nov. 29. This amounts to a dismal 30 percent cut compared to the current rate of \$36.8729.

"While Congress has provided temporary relief from these reductions every year since 2003, a long-term solution is critical," the Fee Schedule notes. "We are committed to permanently reforming the Medicare payment formula."

As most practices know, last June, Congress voted to not only stave off a 21 percent cut to your Medicare pay, but to increase the conversion factor by 2.2 percent. However, that vote only kept the cuts at bay through November 30 -- and that date is right around the corner. Effective December 1, your Medicare pay is set to drop by over 23 percent, unless Congress intervenes to reverse the cuts. Add to that the fact that 2011 payments are due to drop even further starting January 1, and medical practices are facing a perfect storm of payment nightmares.

Internists and physicians don't know exactly what will take place at the end of this month or when the calendar turns to 2011. "We have no idea what will happen in Congress in January regarding the conversion factor," says **Michael A. Ferragamo, MD, FACS**, a clinical assistant professor at the State University of New York at Stony Brook. Some newly-elected Senators and House members will be in place in 2011. As Ferragamo notes, however, it's unclear whether the current Congress will make changes affecting 2011 pay before January, or whether they'll leave the issues for the new Congress to handle.

#### Few Internists Predicted to See Some Gains

As if the numbers don't look bleak enough, some specialties will face additional cuts. Affected groups include radiology, urology, oncology/hematology, pathology, and emergency medicine.

Bonus: Some specialties face better news, thanks to the government seeking to give primary care practices boosts next year. Some practices anticipate a two percent gain in Medicare allowed charges next year based on an ongoing transition in Medicare's practice expense RVUs, according to one impact table in the final rule. Internists should expect a one percent boost in their Medicare allowed charges, according to the same table.

Other practices that will see their pay rise will be hand surgeons, who will watch their Medicare allowed charges increase on average by four percent. The following specialists will also see gains next year: neurologists (2%), otolaryngologists (3%), dermatologists (4%), plastic surgeons (3%), and colorectal surgeons (3%).

#### CPT Establishes Annual Wellness Visit Codes

The Fee Schedule also incorporates several provisions of the Affordable Care Act of 2010 that was passed in March.

New coverage: The Fee Schedule establishes coverage for annual wellness visits for Medicare patients. "The rule we are issuing today is a major step toward improving the health status of Medicare beneficiaries by providing coverage for an annual wellness visit that will allow a physician and patient to develop a closer partnership to improve the patient's long term health," said CMS administrator **Donald Berwick, MD**, in a Nov. 3 statement.

Change: If an internist performs a procedure that meets CMS's description of an annual wellness visit, do not report a code from CPT's preventive medicine section to your Part B carrier, the Final Rule indicates. CMS does not pay for preventive medicine services billed under 99381-99397. Instead, report one of the following newly-established HCPCS codes that will be effective Jan. 1, 2011:

- G0438 -- Annual wellness visit; includes a personalized prevention plan of service (PPPS), first visit
- G0439 -- Annual wellness visit; includes a personalized prevention plan of service (PPPS), subsequent visit

CMS has assigned 2.43 physician work RVUs to G0438 and 1.50 work RVUs to G0439. Beneficiaries who have only been enrolled in Part B for 12 months will be eligible for an initial preventive physical exam, (also known as an IPPE, which is billed with G0402). "After the first 12 months of Part B coverage on or after Jan. 1, 2011, beneficiaries would be eligible for an annual wellness visit" as described by the new G codes, assuming that patient has not had an IPPE within the preceding 12 month period, the [fee schedule](#) states.

Resource: To read the 2,023-page Final Rule in the Federal Register, visit [www.ofr.gov/OFRUpload/OFRData/2010-27969\\_PI.pdf](http://www.ofr.gov/OFRUpload/OFRData/2010-27969_PI.pdf).