

Internal Medicine Coding Alert

2014 Physician Fee Schedule: Possibility of Fee Deductions If Proposed MPFS Gets Accepted

Sunny side: Chronic care non-face-to-face services might bring in bonuses in 2015.

While the proposed 2014 Medicare Physician Fee Schedule outlined possible changes to policies and payment rates for services rendered on and after January 1, 2014, your internal medicine practice might take a hit if the Centers for Medicare & Medicaid Services (CMS) implements across-the-board payment cuts via the conversion factor, as mandated by the Sustainable Growth Rate under current law.

The better news is that CMS has suggested an innovative new approach to handling patients with chronic issues by proposing new codes for complex chronic care management of patients with two or more chronic conditions that could take effect in 2015.

Prepare for a Conversion Factor Plunge

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 \$25.7109, which reflects a 24.4 percent cut from the current conversion factor of \$34.0320.

Silver lining: In prior years, Congress has always voted to maintain or 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.

Steeper Cuts Could Hit Some Specialties

The potential cut in the conversion factor will unfortunately not be the only pay cut that the proposed Fee Schedule holds for some medical practices. The hardest hit based on Medicare's proposal will be independent laboratories that will 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."

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 increase in allowed charges based on the proposed rule. CMS estimates that internists will see a one percent increase in their Medicare allowed charges based on what is in the proposed rule.

Hope for Chronic Care Management Fees in 2015

If the 2014 Fee Schedule proposal looks dismal, you may be able to take solace in the potential of what is contemplated 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**. "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," Bryant said. "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 explained. "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 complex 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 prior to billing for complex chronic care management services."

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 http://www.ofr.gov/OFRUpload/OFRData/2013-16547_PI.pdf.