

Part B Insider (Multispecialty) Coding Alert

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

Plus: Pay for Radiology, Urology, and Cardiology will drop even more.

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 your revenue 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.

Part B practices are currently in the dark about what will take place not only at the end of this month, but also regarding what will transpire 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**, clinical assistant professor of urology at the State University of New York at Stony Brook. Some newly-elected Senators and House members will be in place in 2011, and 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, he says.

Some Specialties Will Suffer Further

In addition to dealing with conversion factor fluctuations, some specialties will face additional cuts. The hardest hit practices will be those that specialize in radiology. These cuts will most definitely have a significant impact on specialty practices that are already financially stretched.

The list below shows which specialties will face the biggest Part B cuts in 2011 based on changes to RVUs and other adjustments in these specialties. Keep in mind that these numbers do not include the impact of the December 2010 and January 2011 conversion factor changes, the Fee Schedule confirms:

Radiology: Pay for radiology practices will drop by 14 percent next year, while interventional radiology will see a 9 percent cut, nuclear medicine will face 6 percent cuts, and radiation oncology pay will drop by 5 percent

Urology: RVU changes will cause radiology practices to see a 7 percent decline in Medicare pay next year **Cardiology, Audiology, and Multispecialty Clinics:** These practices will face cuts of 5 percent in Medicare pay next year.

Oncology/hematology, Pathology, and Emergency Medicine: Practices in these specialties will see pay drop by 2 percent in 2011.

Other Specialties Will See Gains

As predicted, the government is seeking to give primary care practices boosts next year, with family practices facing a four percent gain next year over 2010 RVU amounts, internal medicine specialists getting a three percent pay boost, and pediatricians facing two percent raises in RVUs.

Other practices that will see their pay rise will be hand surgeons, who will watch RVUs increase on average by six percent, and the following specialists that will see five percent gains next year: neurologists, otolaryngologists, dermatologists, plastic surgeons, and colorectal surgeons.

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. First and foremost, you'll see that coverage has been established 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.

If you perform a procedure that meets CMS's description of an annual wellness visit, you should 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:

- 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 RVUs to G0439, and these codes will be effective on Jan. 1, 2011. 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. To read the 2,023-page Final Rule in the Federal Register, visit www.ofr.gov/OFRUpload/OFRData/2010-27969_PI.pdf.