Part B Insider (Multispecialty) Coding Alert

2013 Payment: Finalized 2013 Fee Schedule Includes 26.5 Percent Cut

Plus: Transition care management pay is formalized with assignment of codes 99495-99496.

CMS offers several bits of good news in its newly-finalized 2013 Medicare Physician Fee Schedule, including new transitional care management codes and associated payment--but the agency also included a 26.5 percent conversion factor cut that could impact practices across-the-board if Congress doesn't act to reverse it before Jan. 1.

On Nov. 1, CMS released its Final Medicare Physician Fee Schedule for 2013. The 1,362-page document, which will be published in the Nov. 16 Federal Register, offers a look into how the agency configures its RVU assignments, and shows just which specialties will escape drastic cuts to their reimbursement.

CMS Assigns New Codes for Hospital Transitions

If your physician spends a significant amount of time providing care for patients transitioning back to the community following a hospital or nursing facility discharge, you will see extra Medicare pay for that service in 2013.

"We will pay for care coordination in the 30 days following an inpatient hospital, outpatient hospital observation services or partial hospitalization, SNF, or CMHC discharge from the treating physician in the hospital to the beneficiary's primary physician in the community," CMS says in the document, with the following new codes assigned to the services:

- 99495: Transitional care management services with the following required elements: Communication (direct contact, telephone, electronic) with the patient and/or caregiver within two business days of discharge, medical decision-making of at least moderate complexity during the service period, and face-to-face visit within 14 calendar days of discharge
- 99496: Transitional care management services with the following required elements: Communication (direct contact, telephone, electronic) with the patient and/or caregiver within two business days of discharge, medical decision-making of high complexity during the service period, and face-to-face visit within seven calendar days of discharge

What's not included: CMS is quick to note that these new codes are only for face-to-face services, and all payments for non-face-to-face care management should be bundled into your E/M codes. In addition, Medicare won't pay for services furnished to people other than the beneficiary, and will not separately pay for phone calls, medical team conferences, or prolonged services without patient contact.

In addition, the Fee Schedule stresses, the first face-to-face visit is part of the transitional care management (TCM) service and should not be separately reported, although E/M services after the first face-to-face visit may be separately reported. Plus, the physician providing TCM "must have an established relationship with the patient," meaning the physician must have seen the patient within the past three years.

Discharge management: Your Medicare contractor will pay for both a hospital discharge code and the appropriate TCM code, but you won't collect for TCM services that you perform within the global period of a surgery assigned 10 or 90 global days, the Final Rule says.

Payment: CMS assigns a work RVU of 2.11 to 99495 with a typical time of 40 minutes, and a work RVU of 3.05 to 99496, with an intra-service time of 50 minutes.

Many physician groups were pleased with the introduction of these new codes. "The AMA appreciates that CMS recognizes the value of these services for improving the overall quality of health, as this rule supports physicians working in emerging models of care and the work involved in transitioning patients from one care setting to the next," AMA

President **Ardis D. Hoven, MD**, said in a Nov. 1 statement.

Multiple Procedure Cuts Will Hurt Cardiologists, Ophthalmologists

Unfortunately, one of CMS's final decisions will cut pay for certain specialists.

Background: When CMS rolled out its multiple procedure payment reduction (MPPR) for imaging procedures over the last several years, radiology practices and imaging centers were hit hard, due to steep cuts when more than one procedure was performed during the same session. Now CMS will direct that same type of payment reduction at cardiovascular and ophthalmology diagnostic services furnished by the same physician to the same patient on the same date of service.

Under the Final Rule, these physicians will face a 20 to 25 percent reduction off the technical component (TC) of the lower-priced service. "Beginning in CY 2013 we are adopting an MPPR that applies a 25 percent reduction to the TC of second and subsequent diagnostic cardiovascular, and a 20 percent reduction to the TC of second and subsequent ophthalmology services, furnished by the same physician (or physicians in the same group practice) to the same beneficiary, on the same day," CMS says in the Final Rule.

More Steep Cuts Will Hit

As most practices are aware, Congress voted earlier this year to eliminate a 27 percent Medicare payment cut that was supposed to kick in for 2012. Unfortunately, practices will have to play a waiting game once more next year and hope that legislators halt such cuts going forward, because the 2013 Fee Schedule includes a similar reduction, bringing the 2013 conversion factor down to $25.0008.

"In the absence of Congressional action, an overall reduction of 26.5 percent will be imposed in the conversion factor used to calculate payment for physicians' services on or after January 1, 2013," the Fee Schedule says.

Further cuts for some specialties: The full extent of the changes to the Fee Schedule mean that neurologists will see a startling seven percent cut to their total Medicare reimbursement in 2013, while pathologists will face six percent pay cuts. Independent laboratories will see a 14 percent combined impact.

Here's why: "Reductions for pathology, neurology, and independent laboratories are a result of the potentially misvalued care initiative," CMS says in the Final Rule.

Worse yet, the cuts could be steeper if Congress doesn't act to increase the conversion factor. "These impacts are estimated prior to the application of the negative 2013 Conversion Factor update," the Final Rule adds.

Primary care bonus: Other specialists (mainly primary care) will see pay raises under the proposal, rather than cuts. CMS has finalized a seven percent increase for family practitioners, a four percent boost for internal medicine physicians, and a five percent raise for geriatricians.

You can find a full list of the codes affected by the MPPR in the Final Rule at http://www.ofr.gov/, or email editor Torrey Kim for a copy (torreyk@codinginstitute.com) for a copy of the document.