

Part B Insider (Multispecialty) Coding Alert

LEGISLATION: CHAMP Act Could K.O. Imaging Reimbursement

But you may also be able to say goodbye to annual pay-cut scares

No more cliffhangers: The proposed Children's Health And Medicare Preservation (CHAMP) Act wouldn't just eliminate two years of spending cuts. It would get rid of the current system of payment updates, which has spelled steep cuts every year.

Instead of comparing all physician spending with the growth of the economy, the House bill would set up six different categories. Medicare would have separate targets for spending growth in:

- primary and preventive services;
- other evaluation & management services;
- major procedures;
- anesthesia services;
- imaging services; and
- minor procedures and other services

Primary care gets a boost: The targets would expect primary care and preventive services to increase by the rate of growth in Gross Domestic Product (GDP) plus 3 percent.

But the other five service categories could only rise at the same rate as the GDP, with no add-on. If they grew faster than GDP, they could be targeted for their own cuts. This could be especially hard on imaging services, which have grown rapidly in recent years.

The good news is that these spending targets wouldn't take into account Part B drugs or laboratory tests. Medicare would report separately to Congress on the growth in those categories.

Congress might still need to pass more legislation later, to avoid more cuts in 2010, warns the **American College of Physicians** (ACP) in a letter to leading House members. But the ACP still urged Congress to pass this bill.

No more PQRI bonuses for 2008

The 465-page CHAMP Act would also make the following changes:

Imaging crackdown: Facilities that provide imaging services would need to seek accreditation. Also, Medicare would assume that facilities use their imaging equipment 75 percent of the time instead of 50 percent of the time, which could slash the practice expense RVUs for imaging scans. Once again, if your physician scanned two contiguous body parts, Medicare would pay 50 percent less for the second scan--up from 25 percent less right now. And you would have to bill separately for every imaging service your physician provides, instead of billing globally.

More feedback: Medicare would give your physicians reports on how their practice patterns compare with those of other doctors in the same locality and nationwide. And physicians in counties that have the lowest health spending in the country could receive a 5-percent bonus.

But the bill would also do away with money to pay bonuses for the Physician Quality Reporting Initiative (PQRI) in 2008, so the PQRI would become strictly voluntary.

New and better bundling: The **Government Accountability Office** would report to Congress on which services you currently bill together most often. Medicare could combine some of those services into one code each, or slash reimbursement. The GAO would also look through the fee schedule for more places where Medicare could bundle services.

Money for management: Up to 500 physician practices around the country could take part in a -medical home- demonstration. The -medical home- concept, which is becoming fashionable among some physician organizations, involves one doctor taking charge of all of a patient's care. Often, the target groups are patients with chronic illnesses. Medicare would also certify practices that were providing a -medical home- with good health information technology (HIT).

RVU revolution: Instead of just shifting every five years, your Relative Value Units (RVUs) could change more often. Congress would set up an -expert panel- to reconsider RVUs for some procedures that might have gotten misvalued. In particular, procedures that used to take a long time but are now quicker because of improved techniques or skills could see a drop in work RVUs.

California counties, rejoice: Medicare would adjust all of its payment -localities- in California by Jan. 1, 2008. And it would adjust localities for other states with more than one locality by 2011. Seven California counties filed a class-action lawsuit against Medicare, saying that their physicians have received less money than nearby urban areas even though costs are the same. Medicare would pay an adjustment fund to localities that lost out on reimbursement because of these changes.

No more PPAC: The bill would abolish the Practicing Physicians Advisory Council (PPAC), which has been holding Medicare's feet to the fire for years.