

Part B Insider (Multispecialty) Coding Alert

Part B Pay: CMS Slashes 2012 Conversion Factor by Over 27 Percent Vs. Current Rates

Plus: Pay for Radiation oncology, pulmonology, and cardiology will drop even more.

Get ready for another year of nail-biting to find out whether your Medicare payments will be dramatically reduced. "The calendar year 2012 Physician Fee Schedule conversion factor is \$24.6712," notes the 2012 Medicare Physician Fee Schedule Final Rule, printed in the Federal Register that will be published on Nov. 1.

This amounts to a dismal 27.4 percent cut compared to the current rate of \$33.9764. CMS acknowledges that this massive cut may not be set in stone, stating, "While Congress has provided temporary relief from these reductions every year since 2003, a long-term solution is critical. We will continue to work with Congress to fix this untenable situation so doctors and beneficiaries no longer have to worry about the stability and adequacy of their payments from Medicare under the Physician Fee Schedule."

Physician advocacy organizations were quick to decry the cuts. "Payments for Medicare physician services have fallen so far below increases in medical practice costs that there is a 20 percent gap between Medicare payment updates and the cost of caring for seniors," said AMA president **Peter W. Carmel, MD**, in a Nov. 1 statement.

Even CMS officials agreed that the 27.4 percent cut would be devastating, but remained hopeful that the government might rectify the situation before the pay cuts kick in. "This payment rate cut would have dire consequences that should not be allowed to happen," said CMS administrator **Donald Berwick, MD**, in a Nov. 1 statement. "We need a permanent SGR fix to solve this problem once and for all. That's why the President's Budget and his Plan for Economic Growth and Deficit Reduction call for permanent, fiscally responsible reform and why we are committed to working with the Congress to achieve a permanent and sustainable fix."

As most practices know, last December, Congress voted to not only stave off a 25 percent cut to your Medicare pay. However, that vote only kept the cuts at bay through Dec. 31 of this year-- and that date is right around the corner. Effective January 1, your Medicare pay is set to drop again based on the new 2012 Fee Schedule information, unless Congress intervenes to reverse the cuts.

Imaging Practices to Suffer

As was the case in 2011, imaging specialists will be the hardest hit by fee schedule changes in 2012.

Likely culprit? The 2012 Final Rule expands the existing multiple procedure payment reduction policy to the professional interpretation of advance imaging services. Currently, when you perform multiple radiological procedures that are within the same family (for instance, multiple ultrasounds, or multiple MRIs), you collect 100 percent of the global fee for your primary study. For the second and subsequent studies, however, you collect 100 percent of the professional component and 50 percent of the technical component.

But CMS will further reduce those payments, noting in the 2012 Final Rule "We continue to believe that there may be additional imaging and other diagnostic services for which there are efficiencies in work when furnished together."

The cuts: CMS announced that in 2012, it will not only continue to slash the technical component of subsequent radiological procedures by 50 percent, but will also begin to cut the professional component by 25 percent. This is better than the 50 percent professional component cut that CMS had proposed, but still higher than radiologists would like to see.

Some Specialists Will See Gains, While Others Will Find Cuts

In addition to dealing with conversion factor fluctuations, some specialties will face additional cuts. The hardest hit practices will be those that specialize in radiation oncology, as well as radiation therapy centers. 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 2012 based on changes to RVUs and other adjustments in these specialties. Keep in mind that these numbers do not include the impact of the January 2012 conversion factor changes, the Fee Schedule confirms:

Radiation oncology and radiation therapy centers: Pay for these specialists will drop by 6 percent next year. Other imaging-based specialists should fare slightly better, with radiologists seeing only a 3 percent cut, interventional radiologists facing a 2 percent cut, and nuclear medicine specialists dealing with a 1 percent drop in pay.

Audiology: RVU changes will cause audiology practices to see their pay drop by 4 percent in 2012.

Psychology, Social Work, Diagnostic Testing Facilities: These specialists will all face 3 percent cuts across the board in 2012, the Fee Schedule indicates.

Cardiology, pulmonology: Both of these specialties will face 2 percent cuts in 2012, as will interventional pain management specialists, thoracic surgeons, and cardiac surgeons.

Other Specialties Will See Gains

As was the case last year, the government is seeking to give primary care practices financial boosts, with family practices and internal medicine specialists both benefiting from a 1 percent gain next year over 2011 RVU amounts.

Other practices that will see their pay rise will be portable x-ray suppliers, who will watch RVUs increase on average by 4 percent, and the following specialists that will see 2 percent gains next year: podiatrists, optometrists, chiropractors, and nurse anesthetists.

The complete Fee Schedule will be posted in the Nov. 28 Federal Register, but is being published online ahead of print for a limited time at

www.ofr.gov/%28X%281%29S%28ytxwtdftdqyv0r35jiuojpv%29%29/OFRUpload/OFRData/2011-28597_PI.pdf.