

Part B Insider (Multispecialty) Coding Alert

Part B Payment: Proposed 2012 Fee Schedule Targets Further Cuts to Imaging Interpretations

Plus: Next year's conversion factor is set at a dismal \$23.9635.

As if imaging practices didn't get enough bad news in 2011, CMS's payment proposals for 2012 make the situation even worse. And not only will radiologists feel the heat, but all practitioners who interpret diagnostic imaging tests will face cuts if the proposal is finalized.

On July 1, CMS released its proposed Medicare Physician Fee Schedule for 2012. The 621-page document, which will be published in the July 18 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 Eyes Deeper Cuts to Imaging Reimbursement

Imaging pay, which was already hit hard in 2010, will see further cuts if the proposed rule is finalized. 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 wants to further reduce those payments, noting in the proposal, "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 is proposing that in 2012, it will not only slash the technical component of subsequent radiological procedures by 50 percent, but will also cut the professional component by 50 percent as well. "Full payment would be made for the PC [professional component] and TC [technical component] of the highest paid procedure, and payment would be reduced by 50 percent for the PC and TC for each additional procedure furnished to the same patient in the same session," the proposal notes. It also indicates that payment cuts to radiology procedures could be even deeper in 2013 and beyond.

Professional societies were quick to decry CMS's radiology cuts. "The AMA strongly opposes a proposal to use significant cuts to Medicare payments for diagnostic imaging to offset the cost of a trade agreement," said AMA President **Peter W. Carmel, MD**, in a June 29 statement. "Diagnostic imaging in particular has already seen significant reductions over the past five years, with payments for some services down over 60 percent and additional cuts scheduled to occur."

In addition, many radiologists noted that multiple interpretations of exams performed on one patient aren't less work-intensive than multiple interpretations of separate patients. "The time, intensity and mental effort it takes to interpret an individual exam is relatively constant regardless of whether the patients' exams are interpreted separately or at the same session," said **John A. Patti, MD**, chair of the American College of Radiology Board of Chancellors in a July 4 statement. "Medicare should support such quality care and not repeatedly attempt to undermine it."

Neurologists, Ophthalmologists May See Boosts

The full extent of the proposed changes to the fee schedule mean that radiologists and radiation oncologists could see a four percent cut to their total Medicare reimbursement in 2012. Worse yet, radiation therapy centers could face five percent cuts. However, some other specialties, such as anesthesiology, ophthalmology, neurology, and physical medicine are projected to see two percent raises in Medicare pay for 2012 if all of the proposals are finalized.

Some of the issues within the proposed Fee Schedule include an update of the PQRs and e-prescribing incentive

programs, and an expansion of the telehealth service to include smoking cessation services. Plus, CMS has proposed criteria for a health risk assessment to be used with annual wellness visits (AWVs).

Look for More Conversion Factor Uncertainty

Unfortunately, even though practices have been able to put massive Medicare payment cuts on the back burner for the past several years, those issues will crop up again in 2012. The proposal notes, "We currently estimate that the statutory formula used to determine the physician update will result in a CY 2012 conversion factor of \$23.9635 which represents a PFS update of - 29.5 percent." The proposal notes that the conversion factor reductions "can only be averted by an Act of Congress." Although Congress has voted to temporarily relieve cuts in Medicare pay every year since 2003, "a long-term solution is critical," the proposal notes.

"This payment cut would have serious consequences and we cannot and will not allow it to happen," said **Donald M. Berwick, MD**, the CMS administrator. "We need a permanent SGR fix to solve this problem once and for all. That's why the President's budget and his fiscal framework call for averting these cuts and why we are determined to pass and implement a permanent and sustainable fix."

To read the complete proposed 2012 Fee Schedule or to determine how to submit comments (due Aug. 30), visit www.ofr.gov/OFRUpload/OFRData/2011-16972_P1.pdf.