

Part B Insider (Multispecialty) Coding Alert

PHYSICIAN NOTES: Physician Incomes Rise, But Specialty Work RVUs Drop

General surgeons, hematology/oncology physicians see highest pay raise

While physicians brace themselves for potentially steep Medicare cuts starting next year, they can at least celebrate their solid pay increase over the past few years.

Physician compensation rose by a higher amount than the rate of inflation from 2003 to 2004, according to a physician compensation survey performed by Minneapolis, MN health care consulting firm **RSM McGladrey** for the **American Medical Group Association**. General surgeons saw an 8.89 percent raise from \$270,005 to \$294,000 in median income. Pediatric/adolescent physicians saw an 8.76 percent increase and hematology/oncology physicians reaped an 8.52 percent boost.

Primary care specialties saw increases of 6 to 8.8 percent, after several years of flat growth, the AMGA report said. General cardiologists were less fortunate - though their compensation rose 17 percent from 2002 to 2004, income increased just 0.07 percent from 2003 to 2004.

The AMGA survey also tracks work Relative Value Units (RVUs) that physicians bill, as a measure of physicians' productivity or financial contributions to their practices. Some specialties actually saw a drop in productivity. Nephrologists billed 5.75 percent fewer work RVUs in 2004 than in 2003. Cardiac/thoracic surgeons' work RVUs dropped 5.64 percent. And pulmonologists and urgent care doctors saw a 5.24 percent decrease in their work RVUs. Some specialties did see increases in their work RVUs, with infectious disease specialists billing 6.7 percent more than in 2003.

In other news:

The **Centers for Medicare & Medicaid Services** issued Transmittal 649, updating the instructions on the Competitive Acquisition Program for Part B drugs to reflect the fact that it delayed the start of the CAP until July 2006. Also, Transmittal 643 deletes the requirement that beneficiaries must assign claims to a physician in situations where the law already requires the physician to accept assignment.

In the wake of articles in the Washington Post and the Journal of the American Medical Association that questioned the effectiveness of Quality Improvement Organizations, influential Sen. **Chuck Grassley** (R-IA) wrote to CMS Administrator **Mark McClellan** asking for information on QIOs. He asked for contracts, names of QIO board members, CMS reports on QIOs, recent reports to Congress and a list of all QIO performance audits in the past five years.

Las Vegas podiatrist **Nick Nguyen** billed Medicare for 16 ingrown toenail surgeries when he actually performed routine foot care, a jury found. Nguyen also allegedly billed for office visits and surgeries on the same day, but didn't provide the two separate services. Nguyen faces 33 months in prison and three years' supervised release.