

## Part B Insider (Multispecialty) Coding Alert

### Reimbursement: CMS Alters RVUs for Hundreds of Codes

#### Dermatology and oncology procedures hardest hit despite complaints

Not only will all physician services feel the scythe of Medicare's 4.5 percent across-the-board cut in January, but certain CPT Codes will feel the ax even more keenly.

The Centers for Medicare & Medicaid Services' final rule for the 2004 Physician Fee Schedule includes sharp cuts for certain codes that CMS decided were overvalued in 2003. No matter what Congress does to fix overall physician payments, these codes will probably still lose RVUs and therefore payment amounts.

Specialty societies complained about some of these planned cuts, but CMS went ahead with cuts for:

intensity modulated radiation therapy (77418) and IMRT planning (77301). These two CPT codes came on the scene in 2002, so now CMS has enough utilization data to set payment levels for them. CMS noted in the August proposed rule that these two new IMRT codes alone accounted for 8 percent of Medicare spending on radiation oncology in 2002.

In the final rule, CMS said it would use the "nonphysician workpool methodology" to calculate the practice expense RVUs for 77418, consistent with the way it calculates PE-RVUs for other radiation therapy services without physician work RVUs.

photodynamic therapy (96567). CMS will use the dermatology scaling factor for supplies (0.54) instead of the all-physician average (1.29), leading to a steep drop. The societies asked CMS at least to restore physicians' ability to bill separately for the light-activating agent under the appropriate J code and to remove the drug from the practice-expense portion for this procedure. CMS agreed to pay for the light-activating agent but said it would have to consider further whether to pay for topical drugs separately "in certain circumstances."

CMS agreed with most of the recommendations from the American Medical Association's RVS Update Committee to set work RVUs for new and revised CPT codes for 2004. But CMS disagreed with seven of the RUC's recommendations. In particular, new codes 61863 (Twist drill, burr hole, craniotomy, or craniectomy with stereotactic implantation of neurostimulator electrode array in subcortical site; without use of intraoperative microelectrode recording) and 61867 (... with use of intraoperative microelectrode recording) will have work RVUs of 13.92 and 22.96 respectively, instead of 19.00 and 31.34 as recommended. And +63103 (Removal of vertebral body) will have a work RVU of 3.90 instead of the recommended 5.00.