Part B Insider (Multispecialty) Coding Alert

Reimbursement: CMS Wants To See Some Codes Slashed In 2007

Some procedures may cost less if performed in the office

You may see sharp decreases in RVUs for some codes in 2007 ...quot; if the **Centers for Medicare & Medicaid Services** gets its way.

CMS has submitted a number of codes to the **American Medical Association's Relative Value Update Committee (RUC)** for possible reduction. The RUC is starting its five-year review of RVUs for all CPT Codes . Previous five-year reviews have resulted in many more increases than cuts. But CMS wants this time to be different.

The codes CMS has submitted for review include several procedures that used to be performed mostly in the hospital outpatient setting but now are frequently performed in physician offices. CMS wants the RUC to look at whether those procedures have become less expensive as a result of the location change. CMS also submitted codes the RUC hasn't reviewed before, according to testimony at the **Medicare Payment Advisory Commission** (MedPAC)'s Sept. 8-9 meeting.

The five-year RVU review process always starts by assuming that all codes are valued correctly unless somebody suggests otherwise, commissioners noted. But many procedures take less time ...quot; and cost less ...quot; after physicians have been doing them for a few years. MedPAC will be evaluating the upcoming five-year review.

Commissioners suggested having the RUC recruit newly retired specialists, who would be experts in their fields but wouldn't have the same financial interest in raising payments that still-active specialists have.

Congress designed the RB-RVS system to increase payments for evaluation and management services, explained former Senator and current Commissioner **David Durenberger**. But increased values for some specialty procedures have had the opposite effect, driving down E/M payments.

"It can get ugly" at RUC meetings when specialists argue over whether to raise values for different procedures, said **Sharon McIlrath** with the AMA. But specialists on the RUC are careful to wear their "RUC hat" and think in terms of what's best for patients instead of what benefits their specialty, she insisted. The RUC is considering ways to account for the decreasing cost of procedures over time, such as reviewing codes a few years after they're approved, she noted.

MedPAC is also testing software that can look at a physicians' use of resources during an "episode" of care, from the onset of illness to the end of treatment. With this software, MedPAC will be able calculate the number of cases of heart failure or diabetes a physician treats each year and the average cost of treating each case.

MedPAC must report to Congress on whether drug payment cuts have reduced patients' access to oncology services. But the report is due in January, and the worst of the changes won't hit until then, including the disappearance of a 3-percent administrative add-on and the possible end to a chemotherapy demonstration project. As a result, it's hard for MedPAC to assess the effects of those changes. But MedPAC is doing interviews and examining claims to uncover any problems thus far.