

## Part B Insider (Multispecialty) Coding Alert

### REIMBURSEMENT: Look Ahead To Proposed Payment Changes--You Could Change The Future

**Don't wait until these proposals become final to make your voice heard**

Now's the time to sharpen your quills and write some letters.

There are a number of changes coming down the pike which could drastically affect your Medicare reimbursement starting next January. And unless you let your member of Congress and the **Centers for Medicare & Medicaid Services** know how you feel, you'll only have yourself to blame when things go south.

- **Work RVUs.** In a June proposed rule, CMS said it wants to boost the work relative value units (RVUs) for a handful of E/M codes next year. To pay for this change, CMS would cut all work RVUs across the board by 10 percent. Some other work RVUs, including some fracture care, anesthesiology and surgery codes, would also see some boosts. (See PBI, Vol. 7, No. 25).

-The problem with this is it gives with one hand and takes with another, because of the budget neutrality,- says **Barbara McAneny**, an oncologist with **New Mexico Oncology and Hematology Associates** in Albuquerque. -It's two steps forward and one step back.- Medicare should just recognize that physicians are cutting costs in hospitals by doing more things in their offices, McAneny adds. Instead, hospitals get pay hikes every year and physicians have spending caps. **Status:** proposed regulation.

- **PE-RVUs.** The June proposed regulation also said CMS wants to move practice expense RVUs (PE-RVUs) to a new system, based on data from surveys your specialty societies performed. The technical components of some codes could drop by around 60 percent. In 2007, CMS would use the new method to set 25 percent of PE-RVUs. The percentage of PE-RVUs based on the new system would rise to 50 percent in 2008, 75 percent in 2009 and 100 percent in 2010. **Status:** proposed regulation.

- **ICD-10 transition.** The House version of a health information technology (HIT) bill passed on July 29 would require you to move from ICD-9 to ICD-10 by October 2010. The Senate version of the bill doesn't have this requirement, so it's up to the House and Senate to sort out the situation in their conference. **Status:** proposed legislation.

- **Pay-for-performance.** Congress hasn't passed any law calling for Medicare to reduce your reimbursement and use the money to reward providers who meet quality goals. The House Commerce and Energy Health Subcommittee just held hearings on this issue, and legislation seems likely. Most plans would start out with rewards for collecting data, and then move to rewards for meeting actual quality goals by 2009 or 2010. Before Congress can go ahead with P4P, -they have to figure out how to get quality measures to work,- notes **Barbara Cobuzzi** with **CRN Healthcare Solutions** in Tinton Falls, NJ.

P4P should pay for processes that lead to good outcomes, not the outcomes themselves, argues McAneny. No matter how good a surgeon is, some patients will always have post-operative infections, and it doesn't make any sense to punish doctors for factors outside their control. **Status:** proposed legislation.

- **Imaging cuts:** CMS plans to reduce payments for many imaging procedures to outpatient prospective payment system rates, which will cut some x-rays and scans by up to 50 percent next year--and ultrasound guidance codes by up to 70 percent. (See PBI, Vol. 7, No. 12). There are some strong lobbies working against this proposal, notes **Quinten Buechner** with **ProActive Consultants** in Cumberland, WI. Status: proposed regulation.

- **Competitive bidding:** CMS published a proposed rule in the May 1 Federal Register saying it wants to require suppliers of durable medical equipment (including doctors) to submit bids to supply Medicare patients. The Medicare Modernization Act of 2003 gave CMS the authority to go ahead with bidding, but it's up to the agency whether to proceed. Many have argued that bidding should leave out doctors who only supply small amounts of crutches and other items. **Status:** proposed regulation.