

## Part B Insider (Multispecialty) Coding Alert

### REIMBURSEMENT: Work RVUs For Level-3 Office Visits Set For 37-Percent Hike

**Everything changes starting next January. Will you be ready?**

**Good news:** Your payments for evaluation & management services could rise dramatically next year.

The **Centers for Medicare & Medicaid Services** published a proposed regulation in the June 29 Federal Register that would transform your reimbursement in two fundamental ways:

1. The **work relative value units** (RVUs) for E/M services would increase, thanks to proposals from the **Relative Value Update Committee** (RUC). The work RVUs for a level-three office visit would rise by a startling 37 percent, while work RVUs for an office visit or hospital visit requiring "moderately complex decision-making" would increase by 29 percent and 31 percent, respectively.

The work RVUs for more than 400 other services will also change to reflect more accurately the time and work your physician spends on them. CMS says it spends \$35 billion on work RVUs, or more than half of all physician payments.

2. CMS plans to change how it calculates **practice expense RVUs** (PE-RVUs). CMS would use a "bottom up" method using data about how much it costs to do each individual procedure. It would calculate indirect expenses differently and use survey data from allergists/immunologists, cardiologists, dermatologists, gastroenterologists, radiologists, radiation oncologists, urologists and independent diagnostic testing facilities. And CMS would scrap the non-physician work pool, paying for codes with no physician work using its regular practice expense methodology.

This PE-RVU transition would happen over the next four years. CMS spends \$30 billion on PE-RVUs, or around 45 percent of physician payments.

**Speak up:** CMS is seeking comment on both proposals until August 21. The agency plans to finalize them in November as part of the same final rule that tackles other changes to next year's physician fee schedule.

**Relief:** Providers had expected CMS to boost work RVUs for E/M visits by slashing work RVUs for procedures because procedures have grown, claiming a bigger and bigger share of the RVU pie over the past few years. Instead, CMS aims to spend an extra \$4 billion on Medicare, tossing out its usual rules requiring "budget neutral" spending. CMS will use a "budget neutrality adjuster" for work RVUs, which gives it some wiggle room.

**Stay tuned:** Next week's PBI will have more in-depth analysis of the 605-page regulation.