Physician Fee Schedule Released for 2015

By Maria N. Ward, MEd, RHIT, CCS-P

On October 31, 2014, the Centers for Medicare and Medicaid Services (CMS) released the 2015 Medicare Physician Fee Schedule (PFS) Final Rule. Because of section 101 of the Protecting Access to Medicare Act (PAMA) of 2014, no changes to the fee schedule will occur until April 1, 2015. At that time, unless Congress overrides the mandate, a 21.2 percent reduction in physician payment rates will go into effect. This will reduce the conversion factor for calculation of the calendar year (CY) 2015 PFS from $35.8013 that will be used from January 1, 2015 to March 31, 2015, to a conversion factor of $28.2239.

Finalized Adjustment for Misvalued Codes

After the MedPAC Report to Congress in March 2006 first introduced the idea of misvalued codes, CMS has finalized the means by which potentially misvalued codes, new codes, or revised codes will be valued. Beginning in CY 2016, the new value process will begin to transition, with CY 2017 being the year the newly valued or revalued codes are actually applied. This process will include publication of the proposed values in the PFS final rule that will include a comment period before the values are finalized.

CMS is instituting this new process to provide more transparency of the PFS review process for codes. This new process allows the public to use the 60-day comment period to present a case for a revaluation of codes, but CMS also uses a review process of high expenditure services, which resulted in a list of 68 potentially misvalued codes in the first review. The process of using the high expenditure screen as a tool was finalized. However, the decision to review these 68 codes was not finalized due to the resource requirements that will be necessary to revalue the codes transitioning from 10-day and 90-day global periods to 0-day global periods.

Changes to Post-Operative Global Period Packages

The number of evaluation and management (E/M) visits actually performed in the post-operative global period has been examined by the Office of Inspector General (OIG). In two separate investigations, the OIG reviewed these payments in an effort to determine if the surgical packages are valued appropriately. These reports led to CMS transitioning all 10-day and 90-day global packages to 0-day global packages.

The transition for 10-day global codes will occur in CY 2017, while transition for the 90-day global codes will occur in CY 2018. CMS is predicting that setting payment rates based on typical resources used will increase the accuracy of PFS payments, avoid duplicate claims, remove gaps between E/M services provided versus those included in the bundled payment, and provide more accurate data for future reimbursement models and quality.

Chronic Care Management Reimbursement Changes

As a part of the CY 2014 PFS final rule, CMS finalized its policy to reimburse providers managing the care of chronically ill patients beginning January 1, 2015. This chronic care management (CCM) will be billed on a monthly basis for each patient applicable with the new CPT code, 99490. Chronic care management services are defined by the American Medical Association in the CPT 2015 Professional Edition as follows:

> Chronic care management services are provided when medical and/or psychosocial needs of the patient require establishing, implementing, revising, or monitoring the care plan. Patients who receive chronic care management services have two or more chronic continuous or episodic health conditions that are expected to last at least 12 months, or until the death of the patient, and that place the patient at significant risk of death, acute

exacerbation/decompensation, or functional decline. Code 99490 is reported when, during the calendar month, at least 20 minutes of clinical staff time is spent in care management activities.

As stated above, in order to utilize this per-patient-per-month code, the patient must have two or more chronic conditions, and the scope of service elements finalized in the CY 2014 PFS final rule must be met. The scope of service elements include beneficiary access to providers 24 hours per day, seven days per week, as well as maintenance of the patient-centered care plan within a certified EHR to ensure provider access at any time and allow for care coordination. In addition to the scope of service elements, specific billing requirements were established, including the need for written authorization from the beneficiary indicating they have been informed of the availability of the CCM services and what those services include, and a copy of the care plan provided to the beneficiary. Additional requirements can be found in the CY 2014 PFS final rule.

Additional updates can be found on the CMS website on the Physician Fee Schedule page. Other items addressed are the value-based payment modifier, physician feedback reporting program, physician quality reporting system, e-prescribing incentive program, and Medicare shared savings program. Fee schedules for ambulance and clinical laboratory are also included in the final rule.

While this article cannot cover the 464 pages of the *Federal Register* that detail the final rule and all pertinent updates in full, it is important for physicians to begin planning now for the changes ahead. The days of simple fee schedule updates are gone.

As of press time, Congress has yet to determine whether they will pass yet another last minute patch to the sustainable growth rate, but unless they do so the 21.2 percent reduction will drastically impact the bottom line of all providers.

Reference

Centers for Medicare and Medicaid Services. "Medicare Program; Revisions to Payment Policies Under the Physician Fee Schedule, Clinical Laboratory Fee Schedule, Access to Identifiable Data for the Centers for Medicare and Medicaid Innovation Models and Other Revisions to Part B for CY 2015." *Federal Register* 79, no. 219. November 13, 2014. www.federalregister.gov/articles/2014/11/13/2014-26183/medicare-program-revisions-to-payment-policies-under-the-physician-fee-schedule-clinical-laboratory#h-226.

Maria N. Ward (maria.ward@ahima.org) is a director of HIM practice excellence at AHIMA.

Article citation:
Ward, Maria. "Physician Fee Schedule Released for 2015" *Journal of AHIMA* 86, no.3 (March 2015): 54-55.