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News You Can Use

Sandie Becker, CMC sandie@sccma.org

Santa Clara County Medical Association/ 408-998-8850 www.sccma.org

On The Web:

http://www.cms.hhs.gov/apps/media/pres_releases.asp

The AMA has unveiled tools for e-prescribing and opened its website and its resources to all physicians. Some of the new tools include a system finder that selects three systems for a user based on their responses to a brief questionnaire; side-by-side comparisons of up to three e-prescribing vendors at one time; and more. To take advantage of this resource, visit:

www.ama-assn.org/ama/pub/e-prescribing/home.shtml.

CMS Proposes 21.5% Cut, Eliminate Payment for Consults

The Centers for Medicare & Medicaid Services (CMS) has announced proposed changes to policies and payment rates for services to be furnished during calendar year 2010 by over 1 million physicians and non-physician practitioners who are paid under the Medicare Physician Fee Schedule (MPFS). The MPFS sets payment rates for more than 7,000 types of services in physician offices, hospitals, and other settings. CMS is making several proposals to refine Medicare payments to physicians, which are expected to increase payment rates for primary care services. Medicare law requires CMS to adjust the MPFS payment rates annually based on an update formula, which includes application of the Sustainable Growth Rate or SGR. This formula has yielded negative updates every year beginning in 2002, although CMS was able to take administrative steps to avert a reduction in 2003, and Congress has taken a series of legislative actions to prevent reductions in 2004 – 2009. Based on current data, CMS is projecting a rate reduction of 21.5% for 2010. While working with Congress to develop a more appropriate mechanism for updating physician payment rates, as part of health care reform, CMS is proposing, among other things, to stop making payment for consultation codes, which are typically billed by specialists and are paid at a higher rate than equivalent evaluation and management (E/M) services. Providers will use existing E/M service codes when providing these services instead. Resulting savings would be redistributed to increase payments for the existing E/M services.

Other CMS Proposed Changes for 2010

CMS is proposing to remove physician-administered drugs from the definition of “physician services” for purposes of computing the physician update formula, in anticipation of enactment of legislation to provide fundamental reforms to Medicare physician payments.

CMS is also proposing to increase the payment rates for the Initial Preventive Physical Exam (IPPE), also known as the “Welcome to Medicare” visit, to be more in line with payment rates for higher complexity services. Other proposed changes to note:

- New benefit categories of coverage for cardiac and pulmonary rehab services.
- Decrease payment for imaging services requiring expensive equipment and to redistribute those savings to other services, including primary care.
- Requirement that suppliers of the technical component of advanced imaging services be accredited beginning January 1, 2012.
- More measures to be added to the e-prescribing and PQRI programs.

For more information on the proposed rule and how to submit comments, please see:

www.federalregister.gov/inspection.aspx#special

CMS will accept comments on the proposed rule until August 31, and will respond to all comments in a final rule to be issued by November 1, 2009. Unless otherwise specified, the new payment rates and policies will apply to services furnished to Medicare beneficiaries on or after January 1, 2010.