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Medicare Fee Schedule 2002

- RBMA members reported 8-12% cuts from 2001-2002
- 5.4% attributable to cuts in CF – affects all physician payments
- Additional 4-7% cut in technical practice expense due to budget neutrality

Cuts in Conversion Factor

- Affects all physician payments
- Problems with the calculation of the SGR
- Current CMS projections of cuts totalling 17% from 2002 to 2005

How to Fix?

- Requires legislative action
 1. Immediate relief for 2003 involve corrections in the base calculations.
 2. Permanent fix requires corrections to the SGR formula.
- ACR a part of effort to push through legislation this year

Additional Cuts Attributable To:

- Change in case mix of procedures in 1999-2000 data
- Budget neutrality
- Multi-specialty concern
- Threat to reoccur for 2003

Two-Phase Problem with Two-Phase Solutions:

- Phase I – Keep cuts from occurring again next year
- Multi-specialty meeting to suggest methodological flaws in uses of data:
 - Clinical Time
 - Utilization Data
 - MRI staff time and utilization
 - Not harmed by others pulling out

Phase II

- What to do with the temporary zero work pool?
- Must collect data
- Multispecialty work
- Minimize negative impact for all

How Can RBMA Help?

- Report actual impact to practice? What was true % cuts in payments?
- Notification to participate in future surveys

2002 Hospital Outpatient Prospective Payment System (HOPPs)

- Delayed implementation
- Wrapping of devices into APC
- APC Advisory Panel
 - Packaging of codes
 - Applying pro-rate reductions
 - Reshifting of APC due to cost data
 - Multi-claims, add-on codes, bundling

Upcoming HOPPs/APC Issue for 2003

- Blending of passthroughs
- Further budget neutrality adjustments
- Restricting APCs to be clinically similar with respect to resources and appropriate costs

Proposed Rule: 2003

- Unbundling and collection of cost data
- Passthroughs as separate APCs (only wrap in simple ones)
- See how new cost data improves

Medicare Coverage and Policy

- MRS
- MRA
- Regulatory Burden
- Overpayments

Magnetic Resonance Spectroscopy (MRS)

- CMS announced on April 26 that MRS is a nationally non-covered service.
- Discrepancy between electronic database and Medicare Carrier Manual since January 1, 1999.
- ACR has known about discrepancy and submitted a request for national coverage.
- CMS has stated that previous payment should not be recalled.

Magnetic Resonance Angiography (MRA)

- ACR has submitted a multi-specialty request for expanded coverage of MRA of the renals and pelvis.
 1. Expanded coverage for MRA of the abdomen and pelvis to include coverage of renal artery evaluation.
 2. Deletion of the requirement that an AAA repair must be present in order to perform MRA.
 3. Clarification that coverage for the performance of MRA and contrast angiography (CA) is based on medical need, and that physicians have the flexibility to make appropriate decisions concerning the use of both tests.

Regulatory Burden

- Uniform policies
- Better communication within CMS
 - Part A coordinate with Part B
 - Consistency in interpretation
- Advanced Beneficiary Notice (ABN)
 - When required?
- Claims resubmission

Regulatory Burden continued

- Verbal order authentication is burdensome
- Carrier bulletins and websites are poorly formatted
- Medicare enrollment regulations are burdensome
- EMTALA
 - Privacy and confidentiality
 - Regulatory compliance costs
- The HIPAA privacy final rule

Overpayments

- “Criminal penalties” should not apply unless criminal intent is proven
- The “primary responsibility” should be of the initial payer in identifying overpayments
- CMS should define the term “identification” of overpayments
- CMS should define “who determines” when an entity became aware of an overpayment

Overpayments continued

- CMS should define the “methods” of repayment
- A “60 day” repayment time line is burdensome on physicians and physician practices and should be expanded
- The “5 minute” time estimate for notifying CMS should be corrected

Mammography Update

- Medicare
 - Inc. physician payment
 - No inc. technical payment
- Legislative
 - Mandate minimum rates for Medicare fee schedule and APCs

New 2002 Coding Products

- Ultrasound Coding Guide
- Radiation Oncology Guide
- Interventional Coding Guide

ACR/RBMA Joint Ventures

- Thank you to RBMA for support for ACR Dues Increase
