How the Final 2018 Medicare Fee Schedule Affects Your Pay

Donald Karcher, MD, FCAP
W. Stephen Black-Schaffer, MD, FCAP
Jonathan L. Myles, MD, FCAP

November 9, 2017
Welcome

Donald Karcher, MD, FCAP

- Chair, CAP Council on Government and Professional Affairs
Welcome

W. Stephen Black-Schaffer, MD, FCAP

• Chair, CAP Economic Affairs Committee
Welcome

Jonathan L. Myles, MD, FCAP
• Member, CAP Board of Governors
• Former Pathology Advisor to the AMA-RUC
Final 2018 Medicare Physician Fee Schedule

• Final 2018 Medicare Physician Fee Schedule was released on November 2
  – CAP members received a STATLINE Alert with initial analysis of this final ruling

• CAP will continue to engage with the Centers for Medicare & Medicaid Services (CMS)
Agenda

• CAP Policy and Advocacy
• Final 2018 Fee Schedule and Reimbursement Policy Overview
• Specific Pathology Reimbursement Changes
• Laboratory Date of Service Policy: 14-Day Rule
• Changes to Physician Quality Reporting System (PQRS) and Value-Based Modifier
• Questions
CAP’s Policy and Advocacy Agenda

- Protect the value of pathology services
- Ensure pathologists can adapt to new payment models
- Sustain a favorable laboratory regulatory environment
47% of pathology CPT codes have been targeted by CMS since 2006
CAP Advocacy on Medicare Payment

• CAP continues to work with the CMS on Medicare reimbursement:
  – Advocating directly to the CMS throughout the year through face-to-face meetings
  – Via the CAP’s seat at the AMA/Specialty Society Relative Value Update Committee (RUC)
  – Submitting formal comments on fee schedules and other Medicare regulations
Final 2018 Fee Schedule and Reimbursement Policy Overview
Final Payment for Pathology Services
CY 2018

<table>
<thead>
<tr>
<th>Specialty</th>
<th>Allowed Charges (millions)</th>
<th>Work RVU Impact Change</th>
<th>Combined Work + PE Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pathology</td>
<td>$1,154</td>
<td>~0%</td>
<td>-1%</td>
</tr>
<tr>
<td>Independent Laboratory</td>
<td>$690</td>
<td>~0%</td>
<td>-1%</td>
</tr>
</tbody>
</table>

- Reflects averages by specialty (based on Medicare utilization)
- The impact depends on mix of services and payers (Medicare and non-Medicare)
- Physicians receive pay from other Medicare payment systems
CMS Accepts CAP’s Recommendations
Therapeutic Apheresis Services

- CMS accepted the CAP’s recommended increases to the physician work relative values (RVUs) for six therapeutic apheresis codes

- Identified the apheresis codes as potentially misvalued in the CY 2016 PFS proposed rule

- The CAP worked with the specialists to develop recommendations that were presented to the AMA RUC:
  - American Society for Apheresis
  - Renal Physicians Association
  - American Society of Hematology
## CMS Accepts CAP’s Recommendations
### Therapeutic Apheresis Services

<table>
<thead>
<tr>
<th>CPT Code</th>
<th>Description</th>
<th>Work RVU 2017</th>
<th>Work RVU 2018</th>
<th>% Change 2017-2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>36511</td>
<td>Therapeutic apheresis; for white blood cells</td>
<td>1.74</td>
<td>2.00</td>
<td>15%</td>
</tr>
<tr>
<td>36512</td>
<td>Therapeutic apheresis; for red blood cells</td>
<td>1.74</td>
<td>2.00</td>
<td>15%</td>
</tr>
<tr>
<td>36513</td>
<td>Therapeutic apheresis; for platelets</td>
<td>1.74</td>
<td>2.00</td>
<td>15%</td>
</tr>
<tr>
<td>36514</td>
<td>Therapeutic apheresis; for plasmapheresis</td>
<td>1.74</td>
<td>1.81</td>
<td>4%</td>
</tr>
<tr>
<td>36516</td>
<td>Therapeutic apheresis; with extracorporeal selective adsorption or selective filtration and plasma reinfusion</td>
<td>1.22</td>
<td>1.56</td>
<td>28%</td>
</tr>
<tr>
<td>36522</td>
<td>Photopheresis, extracorporeal</td>
<td>1.67</td>
<td>1.75</td>
<td>5%</td>
</tr>
</tbody>
</table>
Pathology Consultation During Surgery

• The CMS identified pathology consultation during surgery CPT codes 88333 and 88334 in the 2014 proposed fee schedule as potentially *misvalued*.

• The CAP performed a physician work survey and *defended* the codes before the AMA RUC and recommend maintaining the current physician work RVUs.

<table>
<thead>
<tr>
<th>CPT Code</th>
<th>Description</th>
<th>2017 Work RVU</th>
<th>2018 Work RVU</th>
<th>% Change 2017-2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>88333</td>
<td>Pathology consultation during surgery; cytologic examination (eg, touch prep, squash prep), initial site</td>
<td>1.20</td>
<td>1.20</td>
<td>0%</td>
</tr>
<tr>
<td>88334</td>
<td>Pathology consultation during surgery; cytologic examination (eg, touch prep, squash prep), each additional site (List separately in addition to code for primary procedure)</td>
<td>0.73</td>
<td>0.73</td>
<td>0%</td>
</tr>
</tbody>
</table>
## Payment for Tumor Immunohistochemistry 2017 – 2018

<table>
<thead>
<tr>
<th>CPT Code</th>
<th>MOD</th>
<th>Description</th>
<th>2017 Work RVU</th>
<th>2018 Work RVU</th>
<th>% Change</th>
<th>2017 Payment</th>
<th>2018 Payment</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>88360</td>
<td>26</td>
<td>Tumor immunohistochem/manual</td>
<td>1.10</td>
<td>0.85</td>
<td>-23%</td>
<td>$57.42</td>
<td>$46.80</td>
<td>-18%</td>
</tr>
<tr>
<td>88360</td>
<td>TC</td>
<td>Tumor immunohistochem/manual</td>
<td>0.00</td>
<td>0.00</td>
<td>0%</td>
<td>$84.70</td>
<td>$89.64</td>
<td>6%</td>
</tr>
<tr>
<td>88360</td>
<td></td>
<td>Tumor immunohistochem/manual</td>
<td>1.10</td>
<td>0.85</td>
<td>-23%</td>
<td>$142.12</td>
<td>$136.44</td>
<td>-4%</td>
</tr>
<tr>
<td>88361</td>
<td>26</td>
<td>Tumor immunohistochem/comput</td>
<td>1.18</td>
<td>0.95</td>
<td>-19%</td>
<td>$61.01</td>
<td>$49.68</td>
<td>-19%</td>
</tr>
<tr>
<td>88361</td>
<td>TC</td>
<td>Tumor immunohistochem/comput</td>
<td>0.00</td>
<td>0.00</td>
<td>0%</td>
<td>$95.82</td>
<td>$98.64</td>
<td>3%</td>
</tr>
<tr>
<td>88361</td>
<td></td>
<td>Tumor immunohistochem/comput</td>
<td>1.18</td>
<td>0.95</td>
<td>-19%</td>
<td>$156.83</td>
<td>$148.32</td>
<td>-5%</td>
</tr>
<tr>
<td>88342</td>
<td>26</td>
<td>Immunohisto antb 1st stain</td>
<td>0.70</td>
<td>0.70</td>
<td>0%</td>
<td>$37.32</td>
<td>$37.44</td>
<td>0%</td>
</tr>
<tr>
<td>88342</td>
<td>TC</td>
<td>Immunohisto antb 1st stain</td>
<td>0.00</td>
<td>0.00</td>
<td>0%</td>
<td>$71.06</td>
<td>$74.16</td>
<td>4%</td>
</tr>
<tr>
<td>88342</td>
<td></td>
<td>Immunohisto antb 1st stain</td>
<td>0.70</td>
<td>0.70</td>
<td>0%</td>
<td>$108.38</td>
<td>$111.60</td>
<td>3%</td>
</tr>
</tbody>
</table>
Diagnostic Bone Marrow Aspiration and Biopsy Services

• In the proposed ruling for 2016, CMS identified diagnostic bone marrow biopsy CPT code 38221 as a potentially misvalued service.

• Prior to survey, the CPT structure was changed to improve nomenclature for these codes (i.e. diagnostic vs. therapeutic use).

• The descriptors for CPT codes 38220 and 38221 were revised and new code 38222 was created to reflect changes in practice patterns that are now available.
### Diagnostic Bone Marrow Aspiration and Biopsy Services

<table>
<thead>
<tr>
<th>CPT Code</th>
<th>Description</th>
<th>2017 Work RVU</th>
<th>2018 Work RVU</th>
<th>% Change 2017-2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>38220</td>
<td>Diagnostic bone marrow; aspiration(s)</td>
<td>1.08</td>
<td>1.20</td>
<td>11%</td>
</tr>
<tr>
<td>38221</td>
<td>Diagnostic bone marrow; biopsy(ies)</td>
<td>1.37</td>
<td>1.28</td>
<td>-7%</td>
</tr>
<tr>
<td>38222N</td>
<td>Diagnostic bone marrow; biopsy(ies) and aspiration(s)</td>
<td>NA</td>
<td>1.44</td>
<td>NA</td>
</tr>
<tr>
<td>G0364</td>
<td>Bone marrow aspiration performed with bone marrow biopsy through the same incision on the same date of service due</td>
<td>0.16</td>
<td>Deleted HCPCS Code</td>
<td></td>
</tr>
</tbody>
</table>

N – New codes for CY 2018
### Payment for Flow Cytometry

<table>
<thead>
<tr>
<th>CPT Code</th>
<th>Description</th>
<th>Medicare Payment</th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>88184</td>
<td>Flowcytometry/ tc 1 marker</td>
<td>$94.51, $76.26, $61.73, $61.18, $68.04</td>
<td>-1%, 10%</td>
</tr>
<tr>
<td>88185</td>
<td>Flowcytometry/ tc add-on</td>
<td>$57.49, $46.55, $37.68, $30.59, $30.60</td>
<td>-19%, -19%*</td>
</tr>
<tr>
<td>88187</td>
<td>Flowcytometry/ read 2-8</td>
<td>$72.59, $73.04, $59.22, $48.23, $48.24</td>
<td>-19%, -19%*</td>
</tr>
<tr>
<td>88188</td>
<td>Flowcytometry/ read 9-15</td>
<td>$92.35, $93.09, $75.37, $66.22, $66.60</td>
<td>-12%, -12%</td>
</tr>
<tr>
<td>88189</td>
<td>Flowcytometry/ read 16 &amp; &gt;</td>
<td>$113.91, $114.22, $92.59, $88.54, $88.92</td>
<td>-4%, -4%</td>
</tr>
</tbody>
</table>

- Note that codes 88185 and 88187 are projected to be reduced in subsequent years, due to a 19% reduction cap.
- The CAP continues to advocate for appropriate reimbursement for these services.
Final 2018 Hospital Outpatient Prospective Payment System Rule

Laboratory Date of Service (DOS) Policy

14 Day Rule
CMS Altered its 14-Day Rule Policy

• The CAP argued for this change in comments to CMS

• The CAP also worked with ASCO and the AMA to present a united effort urging CMS to change its 14 day rule policy

• CMS agreed to alter its 14 day rule policy for advanced diagnostic laboratory tests (ADLTs) and molecular pathology tests on specimens obtained in outpatient setting.
CMS Altered its 14-Day Rule Policy

• Additional exception added to DOS regulations:
  – Permits laboratories to bill Medicare directly for ADLTs and molecular pathology tests
  – For these services, the DOS is the date the test was performed (instead of the date of collection)
Other Medicare Program Adjustments to Reimbursement in 2018

Changes to Physician Quality Reporting System and Value-Based Modifier
Changes to Physician Quality Reporting System and Value-Based Modifier

- Changes to current Physician Quality Reporting System (PQRS) reporting requirements
  - Change from 9 measures to 6 measures
- Reduction in Value-Based Modifier penalties to align with the new Merit-based Incentive Payment System (MIPS)

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Before we take questions …
MACRA Webinar

• On November 29 at 1 pm ET/ 12 pm CT, the CAP will host a webinar analyzing the final 2018 Quality Payment Program regulation

• The Pathologists Quality Registry, the CAP’s very own QCDR, is available for 2018 QPP Reporting Enrollment.

• [www.cap.org/registry](http://www.cap.org/registry)
Save This Date

2018 CAP Policy Meeting

April 30–May 2
Washington Marriott, Washington, DC
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Questions