



COLLEGE of AMERICAN  
PATHOLOGISTS

# Proposed 2025 Medicare Policy and Payment Changes for Pathologists

---

A. Joe Saad, MD, CPE, FCAP

Ronald McLawhon, MD, PhD, FCAP

Gregary Bocsi, DO, FCAP

Pamela K. Wright, Senior Director of CAP Economic & Regulatory Affairs,  
Advocacy

July 30, 2024

# Welcome

## A. Joe Saad, MD, CPE, FCAP

- **Chair, CAP Council on Government and Professional Affairs**



# Welcome

**Ronald McLawhon, MD, PhD, FCAP**

- **Chair, CAP Economic Affairs Committee**



# Welcome

**Gregary Bocsi, DO, FCAP**

- **Chair, CAP Quality and Clinical Data Registry Committee**



# Agenda

- **Overview of Payment Policy and Advocacy**
- **Proposed 2025 Fee Schedule Changes**
- **Pathology Codes Impact and Outlook for 2025**
- **Proposed 2025 Quality Payment Program Policy Overview**
- **Questions**

# Proposed 2025 Medicare Physician Fee Schedule and Quality Payment Program Regulations

- **Proposed 2025 Medicare Physician Fee Schedule and Quality Payment Program regulations were released on July 10, 2024**
  - CAP members received a *Special Advocacy Update* with initial analysis of this regulation
- **CAP will continue to engage with the Centers for Medicare & Medicaid Services (CMS)**
- **Final regulations implemented January 1, 2025**

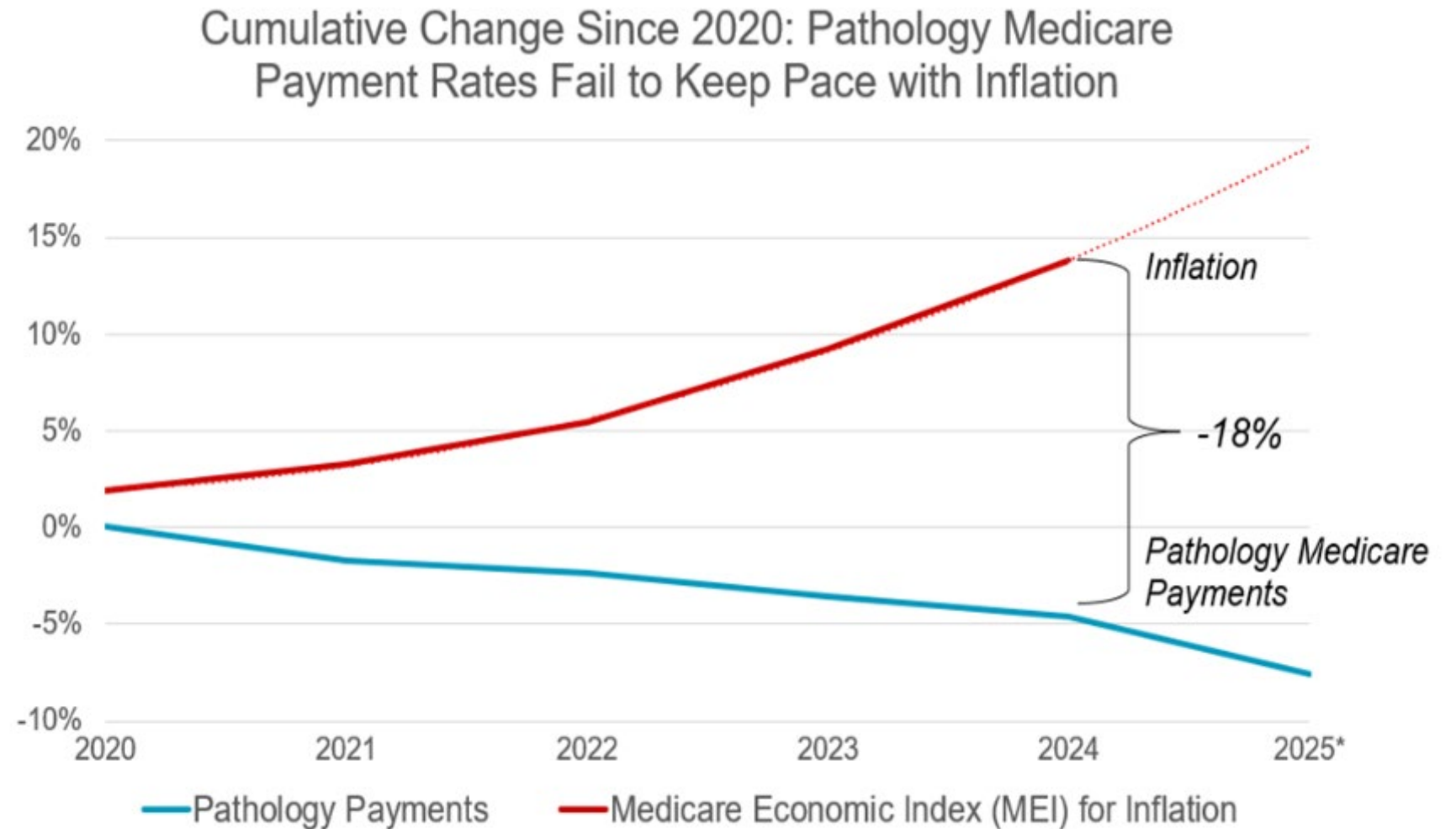
# Stopping Medicare Cuts

- **CAP, AMA, and other physician specialties are pushing hard for Congress to now fix Medicare cuts for good.**
- Over the last six years, payments to pathologists have decreased by approximately 7%, while physician practice costs have increased by nearly 17%.
- The downward trend continues in the proposed rule.
- These cuts are on top of the lack of an inflationary update to the physician fee schedule. According to the American Medical Association (AMA) Medicare physician pay fell 26% from 2001-2023 because physicians do not get yearly inflationary payment updates.



# Growing Gap: Medicare Pay and Inflation

- **2025: Additional cut of -2.4% forecasted.**
- **Physician practice costs are up nearly 14% since 2020.**
- **Congress must stabilize Medicare payment with an annual PFS inflationary adjustment.**



\*Due to the expiry of congressional relief, the CAP is already forecasting a further 3% cut to pathology payments in 2025.



# Our Asks of Congress to Fix Medicare at PLS

- **Support the Strengthening Medicare for Patients and Providers Act (H.R.2474).**
  - Provides annual inflationary update for Medicare PFS
- **Support the Provider Stability Reimbursement Act (H.R.6371).**
  - Increases budget neutrality threshold from \$20 million to \$53 million
  - Limits PFS conversion factor change each year to +/- 2.5%



# Our Asks of Congress to Fix Medicare at PLS

- **Support the Saving Access to Laboratory Services Act (SALSA) (S.4449)**
  - **Permanently fixes the flawed methodology for PAMA-mandated market price calculations used to set Medicare CLFS prices.**
  - **Congress has temporarily delayed these cuts (up to 15% cuts in over 800 tests) multiple times.**



# Proposed 2025 Medicare Physician Fee Schedule

# Overall Proposed Payment Changes for 2025

- The conversion factor for the 2025 fee schedule payment formula is decreased by 2.80% relative to that of the 2024 fee schedule
- The decrease in the conversion factor is primarily due to:
  - Expiration of congressional relief of 1.25 percent from the 2023 Consolidated Appropriations Act and supplemental relief from March 2024 of 1.68 percent
- As a result of these changes, the CAP estimates:
  - -2.44% overall impact to pathology Medicare payments
  - -2.45% overall impact to independent laboratory Medicare payments
- Review the pathology services changes in our **Proposed 2025 Medicare Physician Fee Schedule Impact Table**.

# CY 2025 Clinical Labor Pricing Update

## Issue

- CY 2025 will be the fourth and last transition year of non-physician clinical labor staff costs inflationary updates

## CAP Advocacy:

- Over the past four years the CAP advocated to CMS for increases to cost estimates for pathology's most commonly utilized non-physician clinical labor staff, histotechnologists and cytotechnologists
- CMS agreed and implemented all of the CAP's recommendations
- The changes are a direct result of CAP advocacy with the CMS

## Impact on Pathology:

- The revised labor rates based on CAP advocacy were applied within CMS' practice expense methodology
- Updated data increased TC and global payments for many pathology services paid on the physician fee schedule.
- Total Medicare impact **approximately \$12 million each year** to pathology and independent laboratories
- These increases offset reductions from budget neutrality adjustments that decrease the conversion factor

# New Pathology CPT Codes for CY 2025

## Chimeric antigen receptor T-Cell Therapy

At the May 2023 AMA CPT Editorial Panel meeting, the CAP and a multispecialty group successfully advocated for the addition of four new Category I CPT codes to report Chimeric Antigen Receptor T-cell (CAR-T) Services and added a new subsection in the CPT manual with reporting guidelines.

Four CPT codes were originally created as Category III (temporary, emerging technologies, services and procedures) codes in 2018 to describe the services/procedures required for creating and administering CAR-T therapy which is a treatment for certain types of cancer.

# New Pathology Physician Work Values Accepted by CMS

## Chimeric antigen receptor T-Cell Therapy

CPT CODE	LONG DESCRIPTOR	AMA RUC RECOMMENDED WORK RVU	2025 PROPOSED WORK RVU
3X018	Chimeric antigen receptor T-cell (CAR-T) therapy; harvesting of blood-derived T lymphocytes for development of genetically modified autologous CAR-T cells, per day	1.94	1.94
3X019	Chimeric antigen receptor T-cell (CAR-T) therapy; preparation of blood-derived T lymphocytes for transportation (eg, cryopreservation, storage)	0.79	0.79
3X020	Chimeric antigen receptor T-cell (CAR-T) therapy; receipt and preparation of CAR-T cells for administration	0.80	0.80
3X021	Chimeric antigen receptor T-cell (CAR-T) therapy; CAR-T cell administration, autologous	3.00	3.00

# Therapeutic Apheresis Advocacy: CPT Codes 36514, 36516, 36522

- In CMS' 2024 PFS Final Rule 36514, 36516, and 36522 were identified as potentially misvalued for practice expense only
- At the AMA/Specialty Society RVS Update Committee meeting, the CAP led a multi-specialty group to revise the clinical labor staff type from an RN/LPN blend to an Oncology Nurse which is an Apheresis Nurse proxy.
- Recommendations were forwarded to the CMS, accepted, and are proposed for CY 2025
- **If finalized, this advocacy increases the reimbursement for these apheresis services to mitigate and negate cuts in the non-facility setting**



# Top Pathology Services – Reimbursements

CPT Code	Modifier	Short Descriptor	2024 Payment	2025 Payment	Percent Change
88305	26	Tissue exam by pathologist	\$35.95	\$34.94	-3%
88307	26	Tissue exam by pathologist	.\$78.89	\$76.68	-3%
88312	26	Special stains group1	\$25.63	\$24.91	-3%
88313	26	Special stains group 2	\$11.65	\$11.32	-3%
88341	26	Immunohisto antb addl slide	\$26.96	\$26.53	-2%
88342	26	Immunohisto antb 1 <sup>st</sup> stain	\$33.62	\$32.68	-3%
88305	Global	Tissue exam by pathologist	\$71.57	\$69.57	-3%
88307	Global	Tissue exam by pathologist	\$287.60	\$278.91	-3%
88312	Global	Special stains group1	\$112.51	\$108.72	-3%
88313	Global	Special stains group 2	\$82.89	\$79.92	-4%
88341	Global	Immunohisto antb addl slide	\$90.54	\$93.83	4%
88342	Global	Immunohisto antb 1 <sup>st</sup> stain	\$105.85	\$109.69	4%
88305	TC	Tissue exam by pathologist	\$35.62	\$34.62	-3%
88307	TC	Tissue exam by pathologist	\$208.71	\$202.23	-3%
88312	TC	Special stains group 1	\$86.88	\$83.80	-4%
88313	TC	Special stains group 2	\$71.24	\$68.60	-4%
88341	TC	Immunohisto antb addl slide	\$63.58	\$67.3	6%
88342	TC	Immunohisto antb 1 <sup>st</sup> stain	\$72.23	\$77.01	7%

# Largest Changes in Pathology Payments – 2025

CPT CODE	MODIFIER	SHORT DESCRIPTOR	2024 PAYMENT	2025 PAYMENT	PERCENT CHANGE
88355	TC	Analysis skeletal muscle	\$52.59	\$60.83	16%
88355		Analysis skeletal muscle	\$126.16	\$138.48	10%
88342	TC	Immunohisto antib 1st stain	\$72.23	\$77.01	7%
88341	TC	Immunohisto antib addl slide	\$63.58	\$67.30	6%
88355	26	Analysis skeletal muscle	\$73.57	\$77.65	6%
88104	TC	Cytopath fl nongyn smears	\$48.93	\$51.45	5%
88346	TC	Immunofluor antib 1st stain	\$115.17	\$107.42	-7%
88185		Flowcytometry/tc add-on	\$23.63	\$22.00	-7%
88364	TC	Insitu hybridization (fish)	\$100.53	\$93.51	-7%
88373	TC	M/phmtrc alys ishquant/semiq	\$43.27	\$40.12	-7%
88374		M/phmtrc alys ishquant/semiq	\$287.27	\$264.67	-8%
88374	TC	M/phmtrc alys ishquant/semiq	\$246.66	\$225.52	-9%

# Physician Practice Information (PPI) Survey

## Ends August 2024

- The CMS is updating practice expense per hour data to calculate payment for physician services
  - AMA-led effort focuses on indirect practice expense cost data
  - These data are key to future updates in Medicare pay formula used to reimburse pathologists
- Be on the lookout for an email with the subject line **“American Medical Association requests your input on physician practice expense and patient care hours”**
  - Invitations and reminders about the PPI survey to **financial experts** at a practices will come from: [PPISurvey@mathematica-mpr.com](mailto:PPISurvey@mathematica-mpr.com).
  - Invitations and reminders about the physician hours survey to **physicians** will come from [PhysicianHoursSurvey@mathematica-mpr.com](mailto:PhysicianHoursSurvey@mathematica-mpr.com) or from the practice directly.



# Independent Laboratory Clinician Practice Information (CPI) Survey

## Ends August 2, 2024

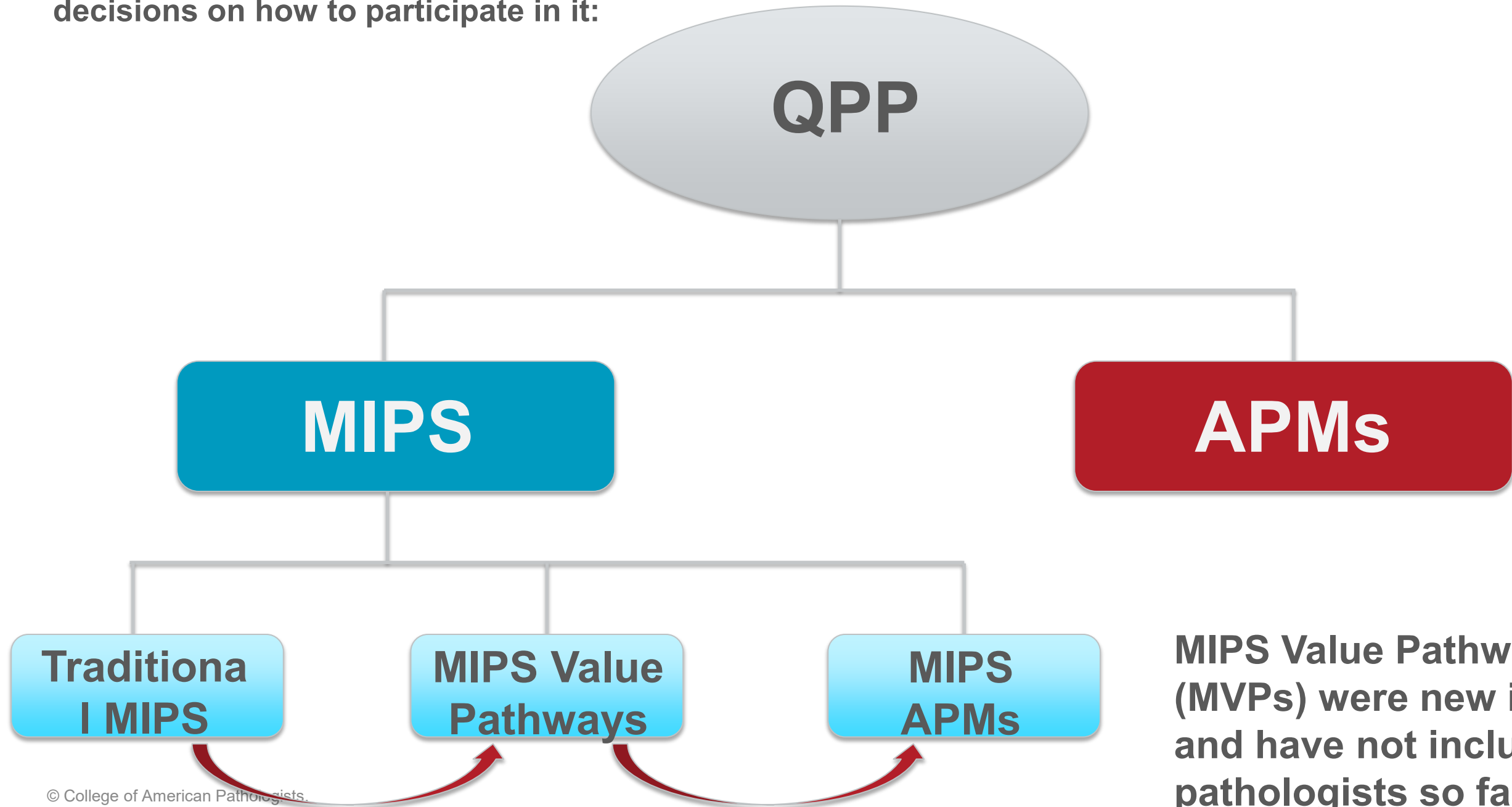
- The CMS is updating practice expense per hour data to calculate payment for services paid on the physician fee schedule
  - Focuses on indirect practice expense cost data
  - These data are key to future updates in Medicare pay formula
- Be on the lookout for an email with the subject line “**The College of American Pathologists requests your input to update Medicare clinician payment**”
  - Invitations and reminders about the survey to practices will come from:  
[CPISurvey@mathematica-mpr.com](mailto:CPISurvey@mathematica-mpr.com).



# Proposed 2025 Medicare Quality Payment Program Requirements

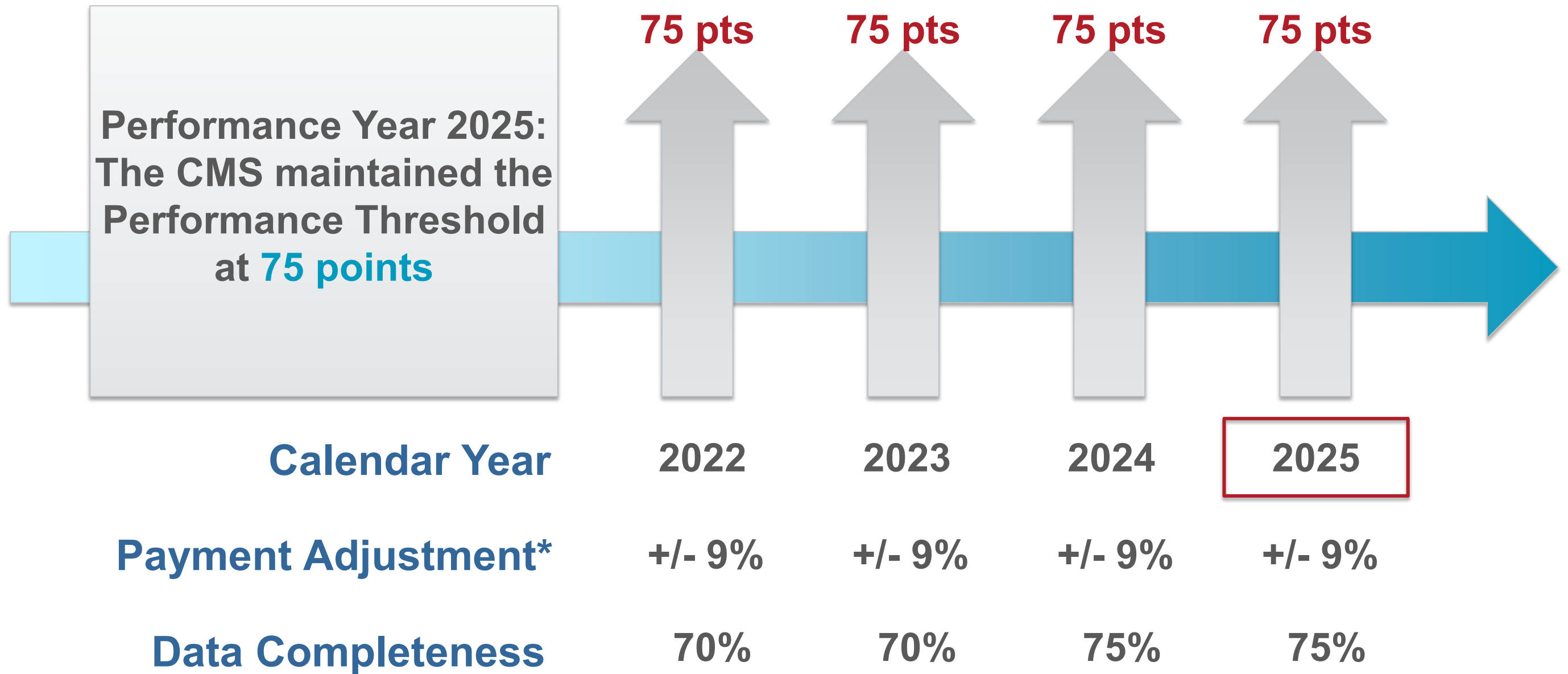
# Quality Payment Program Pathways

The Quality Payment Program is increasingly complex and pathology practices need to make strategic decisions on how to participate in it:



**MIPS Value Pathways (MVPs) were new in 2023 and have not included pathologists so far**

# We Are In Year 8 of MIPS Implementation (2024)

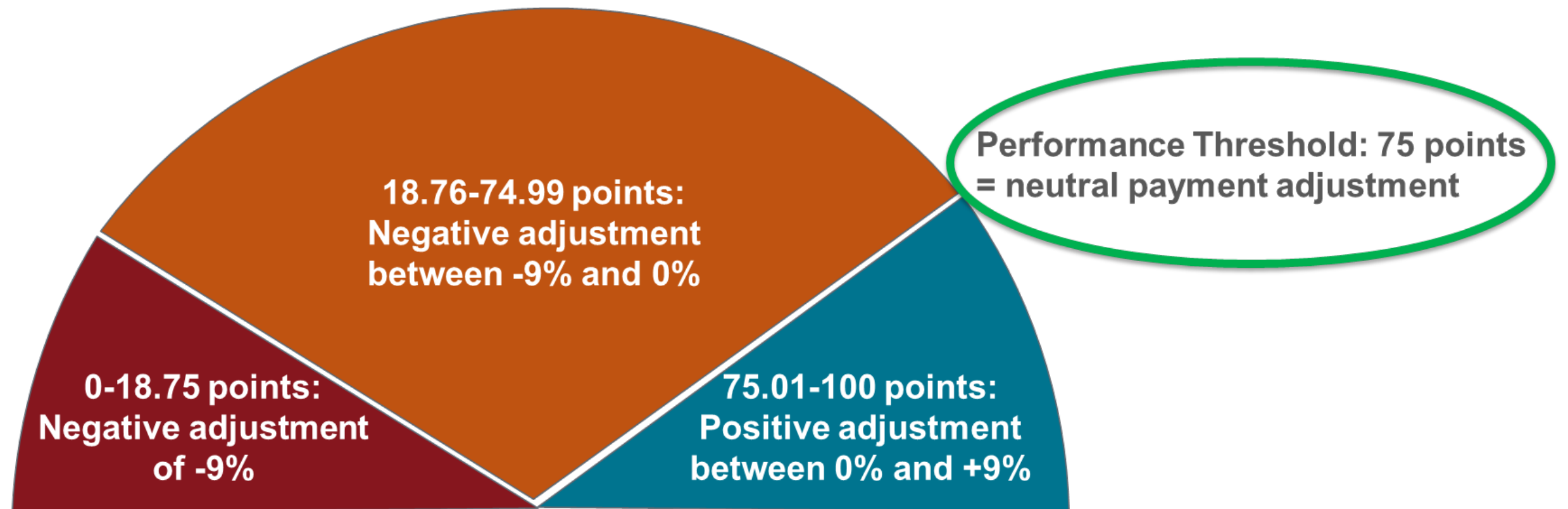


*\*Payment adjustment is from a budget-neutral pool: positive adjustments come from the funds generated by negative adjustments.*

# 2025 MIPS Performance Year Scoring

- Quality Measures: **85%** of Final Score
- Improvement Activities: **15%** of Final Score
- Promoting Interoperability: N/A: non-patient facing pathologists and groups automatically reweighted
- Cost: N/A: non-patient facing pathologists and groups are almost never attributed Cost scores

Reweight Policy for Small Practices ( $\leq 15$  pathologists):  
**Quality and IA categories each scored at 50% each** if Promoting Interoperability and Cost are reweighted to 0





# 2025 Pathology Quality Measures Set

Measure ID	Title
QPP 249	Barrett's Esophagus
QPP 250	Radical Prostate Reporting
QPP 395	Lung Cancer Reporting (Biopsy/Cytology)
QPP 396	Lung Cancer Reporting (Resections)
QPP 397	Melanoma Reporting
QPP 440	Biopsy Turnaround Time: Squamous and Basal Cell Cancer and Melanoma*
QPP 491	MMR/MSI for Checkpoint Inhibitor Therapy

- **No change to QPP measure set**

\* measure NOT stewarded by the CAP

# CAP Advocacy Win: Changes to Measure Scoring

- For 2025, the CMS is proposing to remove the topped out status of the CAP's QPP measures so they could be worth up to 10 points again

## 2024

Performance Rate	Measure Points
36.71-97.81	1-1.9
97.82-99.99	2-2.9
N/A	3-3.9
N/A	4-4.9
N/A	5-5.9
N/A	6-6.9
100 = 7.0 points	7-7.9
N/A	8-8.9
N/A	9-9.9
N/A	10



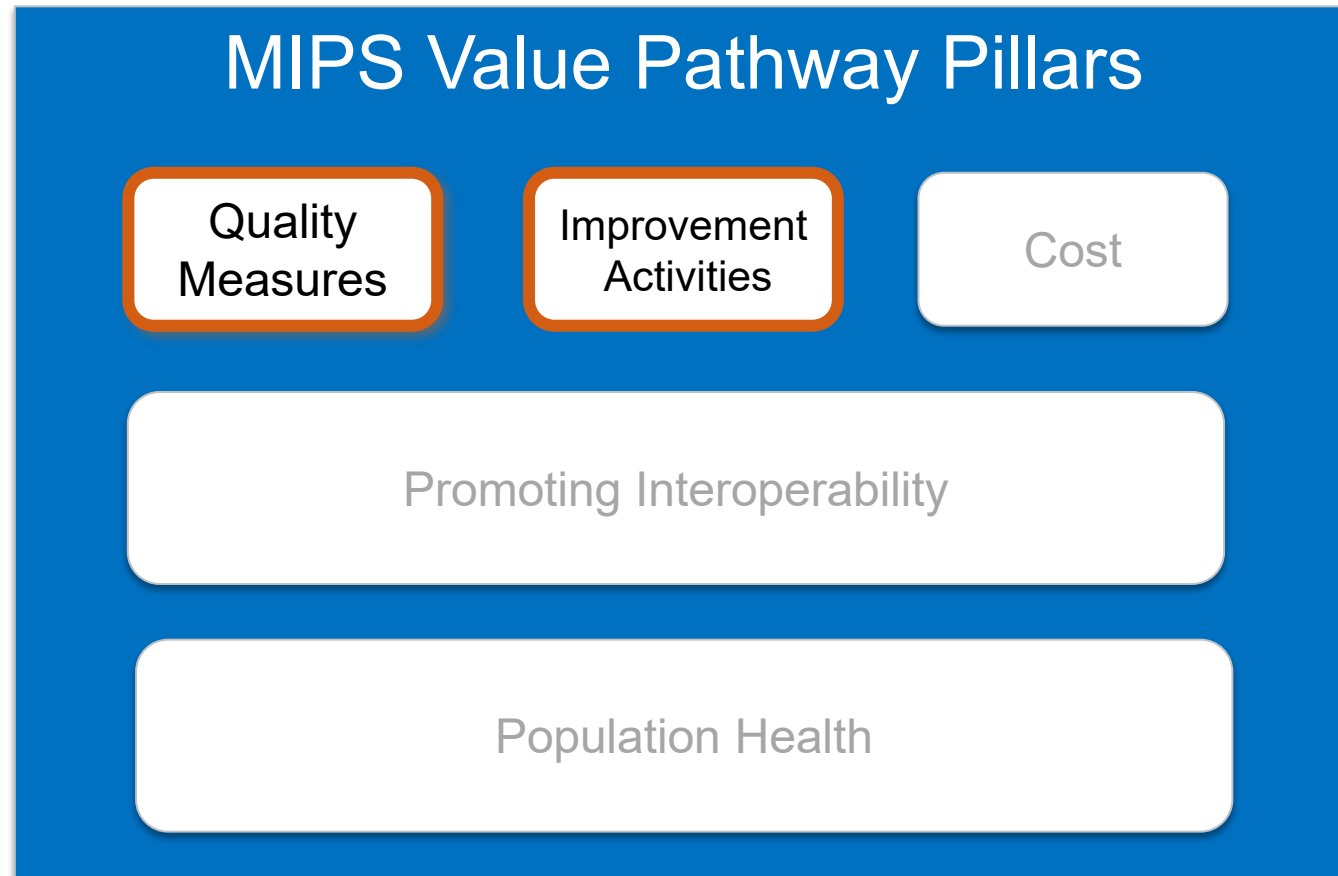
## Proposed 2025

Performance Rate	Measure Points
84-85.9	1-1.9
86-87.9	2-2.9
88-89.9	3-3.9
90-91.9	4-4.9
92-93.9	5-5.9
94-95.9	6-6.9
96-97.9	7-7.9
98-99.9	8-8.9
N/A	9-9.9
100	10

# Proposed Changes to Improvement Activities

- **CMS is proposing significant changes to the Improvement Activities Inventory**
- **Notably, CMS is proposing to remove 8 IAs including:**
  - **IA\_CC\_1: Implementation of use of specialist reports back to referring clinician or group to close referral loop**
  - **IA\_CC\_2: Implementation of improvements that contribute to more timely communication of test results**
  - **IA\_ERP\_4: Implementation of a Personal Protective Equipment (PPE) Plan**
  - **IA\_ERP\_5: Implementation of a Laboratory Preparedness Plan**
- **CMS states these activities are obsolete; the CAP disagrees**
- **Remember, IAs are the other 15% of pathologists' score for large practices or 50% if small practices**

# CMS Continues to Hint at a Pathology MVP (MIPS Value Pathway)



- Implementation started in 2023
- Not all performance categories are applicable to pathologists, but CMS has hinted at changes to make them more applicable
- CMS vacillates on *how* – not whether – pathologists will participate in MVPs
- It is not clear *when* the CMS will end traditional MIPS and force pathologists into MVPs

# MIPS Value Pathways (MVPs) Cover Many Specialties

## 2024 MVPs:

- Advancing Care for Heart Disease
- Advancing Cancer Care
- Advancing Rheumatology Patient Care
- Improving Care for Lower Extremity Joint Repair
- Adopting Best Practices and Promoting Patient Safety within Emergency Medicine
- Patient Safety and Support of Positive Experiences with Anesthesia
- Coordinating Stroke Care to Promote Prevention and Cultivate Positive Outcomes
- Optimal Care for Kidney Health
- Optimal Care for Patients with Episodic Neurological Conditions
- Supportive Care for Neurodegenerative Conditions
- Focusing on Women's Health
- Prevention and Treatment of Infectious Disorders Including Hepatitis C and HIV
- Quality Care in Mental Health and Substance Use Disorders

## 2024 MVPs cont.:

- Rehabilitative Support for Musculoskeletal Care
- Promoting Wellness and Optimizing Chronic Disease Management

## Proposed New MVPs for the 2025 performance year:

- Complete Ophthalmologic Care
- **Dermatological Care—includes 2 pathology measures**
- Gastroenterology Care
- Optimal Care for Patients with Urologic Conditions
- Pulmonary Care
- Surgical Care

# CMS Continues Push to APMs

- **CMS is continuing efforts to shift clinician payment into Advanced Alternative Payment Models (APMs) and accountable care arrangements**
  - CMS goal is to have 100 percent of Traditional Medicare beneficiaries in accountable care relationships by 2030
- **Reminder: Eligible clinicians who meet threshold levels of participation in Advanced APMs to become QPs (or partial QPs) are excluded from MIPS**
  - CMS assesses the level of participation in Advanced APMs based on payment amounts or patient counts using threshold percentages (calculated using the ratio of attributed beneficiaries to attribution-eligible beneficiaries)
  - Proposed rule includes changes to criteria used to define attribution-eligible beneficiary for purposes of QP determinations
- **Proposed rule also reflects changes made by Congress, including to continue the APM Incentive Payment amount for performance year 2024 of 1.88%**

# Protecting independent pathology practice is a high-level CAP principle

## CAP continues to:

- Advocate for the continuation of traditional MIPS for as long as possible
- Engage in additional research on
  - Models for independent pathologists to engage in ACOs and APMs
  - Models for how pathologists participate in APMs
- Advocate to reduce the burden of participation in MIPS and increase the positive payment incentives

**Simplicity, relevance, alignment, and predictability**, for physician practices and the Centers for Medicare and Medicaid Services (CMS).

### Ensuring financial stability and predictability

- **Provide financial stability** through a baseline positive annual update reflecting inflation in practice costs, and eliminate, replace or revise budget neutrality requirements to allow for appropriate changes in spending growth.
- **Recognize fiscal responsibility.** Payment models should invest in and recognize physicians' contributions in providing high-value care and the associated savings and quality improvements across all parts of Medicare and the health care system (e.g., preventing hospitalizations).
- **Encourage collaboration, competition and patient choice rather than consolidation** through innovation, stability, and reduced complexity by eliminating the need for physicians to choose between retirement, selling their practices or suffering continued burnout.

### Promoting value-based care

- **Reward the value of care provided to patients**, rather than administrative activities—such as data entry—that may not be relevant to the service being provided or the patient receiving care.
- **Encourage innovation**, so practices and systems can be redesigned and continuously refined to provide high-value care and include historically non-covered services that improve care for all or a specific subset of patients (e.g., Chronic Obstructive Pulmonary Disease, Crohn's Disease), as well as for higher risk and higher cost populations.
- **Offer a variety of payment models and incentives tailored to the distinct characteristics of different specialties and practice settings.** Participation in new models must be voluntary and continue to be incentivized. A fee-for-service payment model must also remain a financially viable option.
- **Provide timely, actionable data.** Physicians need timely access to analyses of their claims data, so they can identify and reduce avoidable costs. Though Congress took action to give physicians access to their data, they still do not receive timely, actionable feedback on their resource use and attributed costs in Medicare. Physicians should be held accountable only for the costs they control or direct.
- **Recognize the value of clinical data registries** as a tool for improving quality of care, with their outcome measures and prompt feedback on performance.

### Safeguarding access to high-quality care

- **Advance health equity and reduce disparities.** Payment model innovations should be risk-adjusted and recognize physicians' contributions to reducing health disparities, addressing social drivers of care, and tackling health inequities. Physicians need support as they care for historically marginalized, higher risk, hard to reach or sicker populations.
- **Support practices where they are** by recognizing that the high-value care is provided by both small practices and large systems, and in both rural and urban settings.

# The CAP's Pathologists Quality Registry Helps Our Members with MIPS

Practices in the registry get practice-specific advice on highest scoring measures for their situation.

## Several choices for how to submit data for Quality Measures:

- Manual data entry via web portal or excel file upload
- Automated data entry with billing and/or LIS

## Improvement Activities (IA):

- The registry makes it easy to understand and choose from a subset of IA most pathologists are already doing
- Even if you are facility-based, you still need to submit IA

Email us at [MIPS@cap.org](mailto:MIPS@cap.org)

Not sure how you're participating in MIPS? Visit <https://qpp.cms.gov/participation-lookup> and input your NPI to check your eligibility



It pays to deliver  
quality care

Pathologists Quality Registry





# Questions

# Stay Informed Through the CAP

- Follow CAP on social media
  - [X/Twitter @CAPDCAdvocacy](#)
  - [Facebook.com/capathologists](https://www.facebook.com/capathologists)
- Visit [CAP.org](https://www.cap.org) > advocacy
- Read *Advocacy Update Newsletter*
- Join PathNET, the CAP's grassroots advocacy network
- Fill out the Physician Practice Information (PPI) Survey and the Independent Laboratory Clinician Practice Information (CPI) Survey.  
*They will be closing soon!*



COLLEGE of AMERICAN  
PATHOLOGISTS