Final 2020 Medicare Policy and Payment Changes for Pathologists

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Pam Wright, Senior Director of CAP Economic & Regulatory Affairs, Advocacy
Welcome

Jonathan L. Myles, MD, FCAP

• Chair, CAP Council on Government and Professional Affairs
Welcome

W. Stephen Black-Schaffer, MD, FCAP

- Chair, CAP Economic Affairs Committee
Welcome

Diana M. Cardona, MD, FCAP

• Vice-Chair, Economic Affairs Committee
• Chair of the Measures and Performance Assessment Subcommittee
Final 2020 Medicare Physician Fee Schedule and Quality Payment Program Regulations

- Final 2020 Medicare Physician Fee Schedule and Quality Payment Program regulations were released on November 1
  - CAP members received a special *Advocacy Update* with initial analysis of this regulation
Agenda

• CAP Policy and Advocacy
• Final 2020 Fee Schedule and Reimbursement Policy Overview
• Final 2020 Quality Payment Program Policy Overview
• Questions
CAP Policy and Advocacy
CAP Advocacy Priorities

- Protect the value of pathology services
- Ensure pathologists can participate in quality payment models/initiatives
- Reduce regulatory burdens on pathologists and laboratories
- Mobilize CAP members for political action
CAP Advocacy on Medicare Payment

• CAP continues to work with the CMS on Medicare reimbursement:
  o Advocating directly to the CMS throughout the year through face-to-face meetings
  o Via the CAP’s seat at the AMA/Specialty Society Relative Value Scale Update Committee (RUC)
  o Submitting formal comments on fee schedules, QPP, Quality measures, and other Medicare regulations

• According to the CMS the final changes would result in no overall decrease or increase to 2020 pathology payment compared to the 2019 Medicare fee schedule

• CAP engaged extensively with the CMS to mitigate cuts to pathology services
A never-ending process . . .

Since 2006, about half of all pathology CPT codes have been targeted for revaluation by CMS.
Final 2020 Fee Schedule and Reimbursement Policy Overview
## Payment for Pathology Services 2020

<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>$1,212</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Independent Laboratory</td>
<td>$597</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)
- Independent laboratories receive pay from other Medicare payment systems
<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td>88141</td>
<td>Cytopathology, cervical or vaginal (any reporting system), requiring interpretation by a physician</td>
<td>0.42</td>
<td>0.42</td>
<td>0.26</td>
<td>- 38%</td>
</tr>
<tr>
<td>G0141</td>
<td>Screening cytopathology smears, cervical or vaginal, performed by an automated system, with manual rescreening, requiring interpretation by a physician</td>
<td>0.42</td>
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<td>- 38%</td>
</tr>
<tr>
<td>G0124</td>
<td>Screening cytopathology, cervical or vaginal (any reporting system), collected in preservative fluid, automated thin layer preparation, requiring interpretation by a physician</td>
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<td>- 38%</td>
</tr>
<tr>
<td>P3001</td>
<td>Screening Papanicolaou smear, cervical or vaginal, up to three smears, requiring interpretation by a physician</td>
<td>0.42</td>
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### Cytopathology, Cervical, or Vaginal - Total Values Phased In Over Two Years

<table>
<thead>
<tr>
<th>CPT Code</th>
<th>DESCRIPTION</th>
<th>Total Non-Facility RVUs 2019</th>
<th>Total Non-Facility RVUs 2020</th>
<th>Percent Change 2019 – 2020 Phase In</th>
<th>Final Total Non-Facility RVUs</th>
<th>Total Percent Change</th>
</tr>
</thead>
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<tr>
<td>88141</td>
<td>Cytopathology, cervical or vaginal (any reporting system), requiring interpretation by a physician</td>
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<td>0.73</td>
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$30 Million Increase For Pathology Services

• The CMS updated 36 direct practice expense supplies and equipment prices, 26 related to pathology services
• 24 of these are increases, due to the direct engagement of the CAP’s advocacy to correct errors by CMS contractors
• These prices largely account for the technical component of many pathology services, and are also reflected in global payment rates
• These changes represent an additional $30 million for pathology
Evaluation and Management (E/M) Services

Changes

• CMS finalized payment increases for E/M services for 2021
• Estimated impact on pathology is - 8%
• CMS expanded AMA recommendation by creating an E/M add-on code
• CAP and AMA opposed this change responsible for - 3% to pathology
• CMS however agreed with CAP and did not expand E/M increase to surgical global period services
Any Change in E/M RVUs Impacts the Entire Medicare Spending and All Specialties

Medicare Physician Spending by Type of Service, 2018 (estimated), AMA, April 2019
CMS Cuts Payment to Specialists, Shifts Money to Primary Care Providers

• Hardest hit specialists:
  o Anesthesiology  –  7%
  o Pathology      –  8%
  o Radiology      –  8%
  o Cardiac Surgery –  8%
  o Ophthalmology  – 10%
## E/M Final 2021 Impact on Pathology and Independent Laboratory

<table>
<thead>
<tr>
<th>Specialty</th>
<th>Allowed Charges based on CY 2018 utilization and CY 2019 rates (millions)</th>
<th>Combined Impact of E/M Redistribution</th>
<th>Dollars Represented in Millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pathology</td>
<td>$1,203</td>
<td>- 8%</td>
<td>- $97</td>
</tr>
<tr>
<td>Independent Laboratory</td>
<td>$592</td>
<td>- 4%</td>
<td>- $24</td>
</tr>
</tbody>
</table>
Misvalued Code Initiative Win

• Fine Needle Aspiration Biopsy Services identified as NOT misvalued in final rule
  o 10021 - Fine needle aspiration biopsy, without imaging guidance; first lesion
  o 10005 - Fine needle aspiration biopsy, including ultrasound guidance; first lesion

• The CAP engaged with the AMA RUC and the CMS to protect the value of these services
Impact on Independent Laboratories

- Medicare pathology fee schedule payments are estimated to increase by 1% in 2020 due to changes to the technical component direct practice expense inputs.
- This does not reflect all the effects of other Medicare payment changes on independent laboratories, as they receive approximately 83% of their Medicare revenue from clinical laboratory services, which are paid under the clinical laboratory fee schedule (CLFS).
Final 2020 Outpatient Prospective Payment System

• CMS proposed changes to the Laboratory Date of Service (DOS)
  ○ Require prospective utilization of test results to be determined by the ordering physician
  ○ Limit the laboratory DOS exception to only ADLTs

• CMS proposed a 46% decrease in the ambulatory payment classification of Pathology Service 88307

• In the final regulation, the CMS agreed with the CAP comments
2020 Medicare Quality Payment Program Requirements
Quality Payment Program Pathways

Two pathways/tracks are offered under the QPP:

QPP

- MIPS
  - Quality
  - Improvement Activities
  - Promoting Interoperability
  - Cost
- Advanced APMs
Performance Year 2020: The CMS increased the Performance Threshold to **45 points**, and the Exceptional Performance Bonus Threshold to **85 points**.

**Payment Year**  

<table>
<thead>
<tr>
<th>Year</th>
<th>2021 Performance Threshold</th>
<th>2021 Exceptional Performance Threshold</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>60 Points</td>
<td>85 Points</td>
</tr>
</tbody>
</table>
Final 2020 MIPS Performance Year

• Quality Measures: 85% of Final Score*
• Improvement Activities: 15% of Final Score
• Promoting Interoperability: Non-patient facing pathologists and groups automatically reweighted

*If CMS attributes any Cost measures to you or your practice, your Quality category score will be 70% and your Cost category score will be 15% of your overall MIPS score.
# Final 2020 MIPS Requirements for Pathologists

<table>
<thead>
<tr>
<th>Performance Category</th>
<th>Minimum Performance Period</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Quality</strong></td>
<td>• Score out of 60 points</td>
</tr>
<tr>
<td></td>
<td>• 6 measures for 12 months; <strong>70% data completeness</strong></td>
</tr>
<tr>
<td></td>
<td>• Measures can be submitted via multiple mechanisms</td>
</tr>
<tr>
<td></td>
<td>• Medicare Part B Claims Submission only available to small practices</td>
</tr>
<tr>
<td></td>
<td>• Small practice bonus added to Quality score</td>
</tr>
<tr>
<td><strong>Improvement Activities</strong></td>
<td>• Score out of 40 points</td>
</tr>
<tr>
<td></td>
<td>• Attest to 2 medium-weighted or 1 high-weighted</td>
</tr>
<tr>
<td></td>
<td>• 90 days reporting</td>
</tr>
<tr>
<td></td>
<td>• Group participation threshold increased from a single clinician in a group performing an IA to <strong>50% of clinicians in a group performing the IA that the group is attesting to</strong></td>
</tr>
</tbody>
</table>
# 2020 Final Pathology Quality Measures Set

The CAP successfully protected Pathology reporting measures for 2020

<table>
<thead>
<tr>
<th>Measures Finalized for 2020 Pathology Measure Set</th>
<th>Submission Mechanism</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Claims</td>
</tr>
<tr>
<td>249: Barrett’s Esophagus Reporting</td>
<td>X</td>
</tr>
<tr>
<td>250: Radical Prostatectomy Reporting</td>
<td>X</td>
</tr>
<tr>
<td>395: Lung Cancer (biopsy/cytology)*</td>
<td>X</td>
</tr>
<tr>
<td>396: Lung Cancer (resection)*</td>
<td>X</td>
</tr>
<tr>
<td>397: Melanoma Reporting*</td>
<td>X</td>
</tr>
<tr>
<td>440: Basal Cell Carcinoma (BCC)/Squamous Cell Carcinoma (SCC): Biopsy Reporting Time – Pathologist to Clinician*</td>
<td>--</td>
</tr>
</tbody>
</table>

*High Priority Measures
2020 MIPS Quality Measure Scoring:
Submit a representative sample that is a minimum of 70% of all eligible cases

- **Measure value**

<table>
<thead>
<tr>
<th>Max Points</th>
<th>Measure</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>With benchmark</td>
</tr>
<tr>
<td>7</td>
<td>Topped-out</td>
</tr>
<tr>
<td>3</td>
<td>Without benchmark</td>
</tr>
</tbody>
</table>

- **Submitting below 20 case minimum**

<table>
<thead>
<tr>
<th>Points</th>
<th>Practice Size</th>
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<tbody>
<tr>
<td>3</td>
<td>Large Practice (16+ pathologists)</td>
</tr>
<tr>
<td>3</td>
<td>Small practice (≤15 pathologists)</td>
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- **Submitting less than 70% data completeness**

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<tr>
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Signaling Future Changes with MIPS Value Pathways (MVPs)

- For 2021 MIPS to align and connect MIPS categories
The Pathologists Quality Registry Helps Our Members with MIPS

Enrollment is “high-touch” customer service experience from the CAP

Quality Measures:

1. Manual data entry
   - Via web portal
   - Via excel file upload

2. 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
- Most billing companies cannot submit IA
- Even if you are facility-based, you still need to submit IA

Email us at MIPS@cap.org
Final 2020 Alternative Payment Model (APM) Updates

• The final 2020 QPP rule makes adjustments to Advanced APM track
  o Expected expenditures – financial risk
  o Partial Qualifying Participant (QP) determination
  o QP Performance Year and termination of Advanced APM
Before we take questions …
MIPS Educational Webinar Series

Webinars

• Visit cap.org/advocacy for MIPS tools and resources
  o Making Sense of CMS’s Quality Payment Program (Video)
  o MIPS Checklist for Pathologists
  o MIPS FAQs
  o MIPS Financial Impact Calculator
  o MIPS Webinar Series
  o Pathology-specific Quality Measures
  o 2019 Improvement Activities for Pathologists
Stay Informed Through the CAP

• Follow CAP on social media
  o Twitter @CAPDCAdvocacy
  o Facebook.com/capathologists

• Visit CAP.org > advocacy

• Read Advocacy Update

• Join PathNET, the CAP’s grassroots advocacy network
Save the Date - Pathologists Leadership Summit

• Pathologists Leadership Summit
  Grand Hyatt Washington
  1000 H St. NW, Washington, DC, 20001
  May 2–5, 2020
  Travel details will be available when registration opens.

Help Effect Change
Pathologists Leadership Summit
May 2–5, 2020
Questions