



COLLEGE of AMERICAN  
PATHOLOGISTS

# Pathology Payment – An Overview of the 2018 Proposed Medicare Physician Fee Schedule

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**July 17, 2017**

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# Welcome

## **Patrick E. Godbey, MD, FCAP**

- **Member, CAP Board of Governors**
- **Chair, CAP Council on Government and Professional Affairs**



# Welcome

## **Jonathan L. Myles, MD, FCAP**

- **Chair, CAP Economic Affairs Committee**
- **Pathology Advisor to the AMA-RUC**



# Welcome

**W. Stephen Black-Schaffer, MD,  
FCAP**

- **Vice Chair, CAP Economic  
Affairs Committee**



# Proposed 2018 Medicare Physician Fee Schedule

- **Proposed 2018 Medicare Physician Fee Schedule was released on July 13**
  - CAP members received a *STATLINE* Alert with initial analysis of this proposed ruling
- **CAP will continue to engage with the Centers for Medicare & Medicaid Services (CMS)**
  - Including formal comments due September 11

# Agenda

- **CAP Policy and Advocacy**
- **Proposed 2018 Fee Schedule and Reimbursement Policy Overview**
- **Specific Pathology Reimbursement Changes**
- **Questions**

# CAP Policy and Advocacy



# 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 Scale Update Committee (RUC)**
  - **Submitting formal comments on fee schedules and other Medicare regulations**

# Proposed 2018 Fee Schedule and Reimbursement Policy Overview



# Proposed Payment for Pathology Services CY 2018

Specialty	Allowed Charges (millions)	Work RVU Impact Change	Combined Work + PE Impact
Pathology	\$1,147	~0%	-1%
Independent Laboratory	\$684	~0%	-2%

- Reflects averages by specialty (based on Medicare utilization)
- For individual physicians and practices, the impact depends on mix of services and payers (Medicare and non-Medicare)
- Physicians receive pay from other Medicare payment systems
  - For instance, independent laboratories receive 83% of their Medicare revenue from CLFS

# Proposed Changes to Quality Programs

- **Changes to current PQRS reporting requirements**
- **Value-Based Modifier Penalties**

# Reducing Regulatory Burdens

- **Request for Information (RFI) as part of proposed rule to:**
  - **Gain information on achieving better transparency, flexibility; program simplification and innovation in the current healthcare delivery system**
  - **Reduce the regulatory burden currently placed on clinicians and patients**
  - **Make the system less bureaucratic & complex**
  - **Develop future regulatory proposals**
- **No specific responses to submissions in the Final Rule**

# PAMA and CLFS Reporting

- **The proposed rule seeks comments on applicable laboratory experience with the first data collection and reporting periods under PAMA**
- **The CAP continues to engage with the CMS regarding concerns over the data collection and new clinical laboratory fees**

# Proposed Value and Practice Expense





# 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

CPT Code	DESCRIPTION	Work RVU 2017	Proposed Work RVU 2018	% Change 2017-2018 Proposed
36511	Therapeutic apheresis; for white blood cells	1.74	2.00	15%
36512	Therapeutic apheresis; for red blood cells	1.74	2.00	15%
36513	Therapeutic apheresis; for platelets	1.74	2.00	15%
36514	Therapeutic apheresis; for plasmapheresis	1.74	1.81	4%
36516	Therapeutic apheresis; with extracorporeal selective adsorption or selective filtration and plasma reinfusion	1.22	1.56	28%
36522	Photopheresis, extracorporeal	1.67	1.75	5%

# Pathology Consultation During Surgery Codes

- 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

CPT Code	DESCRIPTION	2017 Work RVU	2018 Proposed Work RVU	% Change 2017-2018 Proposed
88333	Pathology consultation during surgery; cytologic examination (eg, touch prep, squash prep), initial site	1.20	1.20	0%
88334	Pathology consultation during surgery; cytologic examination (eg, touch prep, squash prep), each additional site (List separately in addition to code for primary procedure)	0.73	0.73	0%

# Payment for Tumor Immunohistochemistry 2016 – 2017 Advocacy Focus Practice Expense

CPT Code	MOD	SHORT DESCRIPTION	2016 PE RVU	2017 PE RVU	% Change	2016 Payment	2017 Payment	% Change
88360	26	Tumor immunohistochem/manual	0.46	0.48	4%	\$56.57	\$57.24	1%
88360	TC	Tumor immunohistochem/manual	1.81	2.35	30%	\$65.16	\$84.70	30%
88360		Tumor immunohistochem/manual	2.27	2.83	25%	\$121.73	\$142.12	17%
88361	26	Tumor immunohistochem/comput	0.49	0.49	0%	\$60.87	\$61.01	0%
88361	TC	Tumor immunohistochem/comput	2.47	2.66	8%	\$88.79	\$95.82	8%
88361		Tumor immunohistochem/comput	2.96	3.15	6%	\$149.66	\$156.83	5%
88342	26	Immunohisto antb 1 <sup>st</sup> stain	0.32	0.32	0%	\$37.24	\$37.32	0%
88342	TC	Immunohisto antb 1 <sup>st</sup> stain	1.95	1.97	1%	\$71.18	\$71.06	0%
88342		Immunohisto antb 1 <sup>st</sup> stain	2.27	2.29	1%	\$107.41	\$108.38	1%

# Payment for Tumor Immunohistochemistry 2017 – 2018 proposed

CPT Code	MOD	SHORT DESCRIPTION	2017 Work RVU	2018P Work RVU	% Change	2017 Payment	2018P Payment	% Change
88360	26	Tumor immunohistochem/manual	1.10	0.85	-23%	\$57.42	\$46.79	-19%
88360	TC	Tumor immunohistochem/manual	0.00	0.00	0%	\$84.70	\$87.10	3%
88360		Tumor immunohistochem/manual	1.10	0.85	-23%	\$142.12	\$133.88	-6%
88361	26	Tumor immunohistochem/comput	1.18	0.95	-19%	\$61.01	\$49.67	-19%
88361	TC	Tumor immunohistochem/comput	0.00	0.00	0%	\$95.82	\$91.78	-4%
88361		Tumor immunohistochem/comput	1.18	0.95	-19%	\$156.83	\$141.44	-10%
88342	26	Immunohisto antb 1 <sup>st</sup> stain	0.70	0.70	0%	\$37.32	\$37.07	-1%
88342	TC	Immunohisto antb 1 <sup>st</sup> stain	0.00	0.00	0%	\$71.06	\$71.26	0%
88342		Immunohisto antb 1 <sup>st</sup> stain	0.70	0.70	0%	\$108.38	\$108.33	0%

# 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 surveying, the stakeholder societies changed the CPT structure of these services to improve nomenclature for these codes (ie diagnostic vs. therapeutic use).
- The descriptors for CPT codes 38220 and 38221 were revised and new code 382X3 was created to reflect changes in practice patterns that are now available.

# Diagnostic Bone Marrow Aspiration and Biopsy Services

CPT Code	DESCRIPTION	2017 Work RVU	2018 Proposed Work RVU	% Change 2017-2018 Proposed
38220	Diagnostic bone marrow; aspiration(s)	1.08	1.20	11%
38221	Diagnostic bone marrow; biopsy(ies)	1.37	1.28	-7%
382X3 <sup>N</sup>	Diagnostic bone marrow; biopsy(ies) and aspiration(s)	NA	1.44	NA
G0364	Bone marrow aspiration performed with bone marrow biopsy through the same incision on the same date of service due	0.16	- Deleted HCPCS Code -	

<sup>N</sup> – New codes for CY 2018

# Payment for Flow Cytometry

CPT Code	DESCRIPTION	2015 Payment	2016 Payment	2017 Payment	2018 Proposed Payment	% Change 2017-2018 Proposed
88184	Flowcytometry/ tc 1 marker	\$94.51	\$76.26	\$61.73	\$61.18	-1%
88185	Flowcytometry/tc add-on	\$57.49	\$46.55	\$37.68	\$30.59	-19%
88187	Flowcytometry/read 2-8	\$72.59	\$73.04	\$59.22	\$48.23	-19%
88188	Flowcytometry/read 9-15	\$92.35	\$93.09	\$75.37	\$66.22	-12%
88189	Flowcytometry/read 16 & >	\$113.91	\$114.22	\$92.59	\$88.54	-4%



# Before we take questions ...



# MACRA Webinar

- On June 28, the CAP hosted a webinar analyzing the proposed MACRA regulation
- The archived recording, including handouts, is available at [CAP.org](http://CAP.org) under the calendar and Advocacy sections
- The **Pathologists Quality Registry**, the CAP's very own QCDR, will be launched in October of 2017 at CAP'17

# Save These Dates

## **CAP17 – The Pathologists' Meeting™**

**October 8–11**

**National Harbor, Maryland (Washington, DC, area)**

## **2018 CAP Policy Meeting**

**April 30–May 2**

**Washington Marriott, Washington, DC**



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# Questions





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