# How the Economic Affairs Committee Protects the Value of Pathology Services

May 1, 2023

**Dr. Jonathon Myles:**

Good day, everybody. My name is Jon Myles and I'm chair of the CAP Council on Government and Professional Affairs. There are four committees that are part of the Council on Government and Professional Affairs, PathPAC, the political action arm of the CAP, the Quality and Clinical Data Registry Affairs Committee, which handles our reporting for MIPS, the Federal and State Affairs Committee, and the Economic Affairs Committee. Today we have with us three leaders of the Economic Affairs Committee. Dr. McLawhon is chair of the EAC, or Economic Affairs Committee. We also have Dr. Teresa Emory, who's chair of our Payment Policy Subcommittee of EAC, and Dr. Nowak, who is chair of the CPT-RUC Subcommittee. So welcome. We have lots of questions from our members about what EAC, or the Economic Affairs Committee does. So Dr. McLawhon, as chair of the EAC, could you describe and tell us what the function of the EAC is and how it does benefit CAP members?

**Dr. Ronald McLawhon:**

The Economic Affairs Committee is really there to assist pathologists in their day-to-day practice and in the interest of patients to secure mechanisms, develop mechanisms for payment and reimbursement for high quality pathology and laboratory services. We also provide information to our members related to payment policy requirements that will assist them in their practice.

**Dr. Jonathon Myles:**

Thanks. Question for Dr. Nowak, who is chair of our CPT-RUC Subcommittee. Our members are always concerned about payment and how to get paid for the work we do. Dr. Nowak, you have a very unique role in that. You were actually a member of the CPT editorial panel. Can you tell us what is the difference between the CPT and the AMA RUC and how are they important in terms of the economics in pathology?

**Dr. Jan Nowak:**

So good morning, everyone. All physician services are recognized by CPT codes. Those codes are developed and defined by the AMA through their CPT editorial panel. The valuation of those codes, the reimbursement occurs through a different committee administered by AMA and that is the RUC Committee, that's the Relative Value Update Committee. CAP has a seat on both of those committees and also serves both of those committees in an advisory capacity.

**Dr. Jonathon Myles:**

Thanks. So CPT, basically they describe the work, the RUC puts a recommendation forth for the value of the work, and that's certainly a big part of the economics in all our practices. But even if a code has value, it doesn't mean we're actually going to get paid for the work that we do, and that's really where our Payment Policy Subcommittee comes in, and Dr. Emory is part of that and leads that subcommittee for us at the EAC. So Dr. Emory, could you tell us what role the Payment Policy Subcommittee plays in the Economic Affairs Committee and how that benefits the members and how we get compensated for our services?

**Dr. Teresa Emory:**

Sure. Thank you for having me here today. Payment policy covers really a vast array of services including private sector advocacy and public payer, so Medicare, Medicaid type of things. We look at all of those and what we're getting paid for those. We also work with different private payers with regard to issues that we're seeing pop up over the last few years. So how it benefits the membership is that when the membership recognizes that there is an issue, for example, we recently were able to push back on an issue which had to do with a private payer, UnitedHealthcare's Designated Diagnostic Provider program, when it came to our attention. We've also been able to work with Congress and other shareholders to have a letter expressing our concerns about harmful private sector practices that we're seeing pop up.

Additionally, with regard to laws that are implemented, we are engaged as part of the Economic Affairs Committee, for example, with regard to the surprise billing legislation. We've been engaged with CMS throughout this implementation and going forward, we'll continue to be engaged. So in that way, we are able to not only interact with the government agencies, we're also able to address issues that our members are facing and also reach back out to them with recommendations of how they can deal with specific changes in the law that come. So those are some of the main things. With regard to Medicare, we are always engaged with them with regard to improving payment for pathologists, whether it's on the anatomic side or more recently we engaged on policies impacting the clinical laboratory fee schedule payment levels.

**Dr. Jonathon Myles:**

Thanks. So you highlighted in your comments the importance of our advocacy in the private sector, and over the past five years certainly we at CAP have expanded that greatly. Dr. Nowak, to follow up on Dr. Emory's comments, in terms of CPT, what are some wins that the Economic Affairs Committee has done recently to make sure that we can get paid for the work that we're doing? What's new in CPT?

**Dr. Jan Nowak:**

Well, very recently, the Economic Affairs Committee helped to develop new pathology clinical consultation codes, and these are very important codes going forward. And the new codes have been modeled after the evaluation and management codes that other physicians use. So if one looks at those codes, you can see the similarity is obvious if you read the code descriptors, and that's a very important part of what pathologists do that isn't always recognized. I guess in a couple of other recent advancements in CPT, the Economic Affairs Committee has been involved in developing new codes to recognize digital pathology imaging procedures. A number of those codes have already been put in place as Category III codes, and more recently the EAC is submitting a large number of new codes proposing that they be developed as Category III codes and eventually being moved to Category I.

**Dr. Jonathon Myles:**

Thanks. Dr. McLawhon, as chair of the Economic Affairs Committee, what do you see as the challenges that we face over the next year or two in terms of economics in our profession?

**Dr. Ronald McLawhon:**

Well, I think on the CPT-RUC side, obviously moving forward with the new digital pathology codes that Dr. Nowak just mentioned, getting them to the point where they're being utilized, we can capture volume so that we can move this to Category I fairly quickly. That's going to require significant education activities for our members so they understand how to utilize that. We also have some other things, ongoing efforts where we're looking at our potential risks related to other codes that may come up at the RUC for revaluation. There's a periodic revaluation that goes on every 10 years, or if it hits a misvalued code screen where we have to go back and survey our members. Certainly some of our codes are well overdue that the COVID pandemic delayed some of this.

We did do one a couple of years ago that finally rolled out where it was a misvalued code and we took it back for resurvey, which was an important one for us, the G0452 molecular pathology interpretation, that finally got rolled out in calendar year '21, even though we did it back in 2019. CMS finally recognized that and went into effect and basically increased our value by two and a half times. So we're continuing to work on that as things come along at the RUC. We also engage further on that side in terms of what CMS, even though the RUC may recommend our values, CMS always has the opportunity to come back and say, "We think it's a different value." So we will probably be engaging on that.

In fact, one of the things we did this last year successfully was there was an issue that came up where CMS changed the labor category, clinical labor category, for example, where histotechnologists have been classified as clinical technicians. That may be going on as well, but in this particular case, we were successful. CMS listened to us. We provided a lot of evidence to CMS and got that reversed and it represented a 1% increase overall or about $11 million to the pathology specialty that that is going to be restored. So on that side, I see that as an ongoing effort engaging with CMS, engaging with the RUC, getting CPT codes that are utilized to describe our services.

On the payment policy side, clearly we have a lot of things going on there that Dr. Emory's already described as well. But I think increasingly we're seeing encroachment from the private sector and our advocacy there with each of the payers, whether this is on professional component of clinical pathology or other things related to genomic testing and using third party lab benefit managers, continuing to engage with CMS and the Medicare administrative contractors on the LCD process, those are ongoing efforts. Some other things we continue to work with, other aspects of CGA in informing them and some of the other committees related to things such as mitigating the cuts related to clinical laboratory services under PAMA.

Some of the things down the line as well with respect to advanced payment models under MACRA and the MIPS system. Obviously CMS is looking to move all physicians to an APM type of model by 2030. So those are the things that I see in the near future that we're going to continue to engage on and take different approaches to try and address all these things that keep coming, challenges and even if we have to work with the Washington DC office in developing legislative approaches to dealing with some of these issues that affect our payment.

**Dr. Jonathon Myles:**

Thank you, Dr. McLawhon. The EAC committee certainly does a lot of great work on behalf of our members and thank you for all the accomplishments over the past couple of years to make sure that our value is recognized for the work that we do. But it's not just all about the members of EAC and it really requires folks outside of EAC to help in the process. And in particular, I think that Dr. Emory's Payment Policy Subcommittee engages members outside of EAC. Dr. Emory, one of the things that your subcommittee does is that you evaluate these proposed local coverage determinations, which determines what types of things get paid under certain circumstances. And I know you engage scientific experts from the Council on Scientific Affairs and other members. Could you tell us a little bit about how these proposed LCDs get evaluated and what are the effects of the comments on these proposed LCDs?

**Dr. Teresa Emory:**

So we do review the LCDs as they come out. Staff at CAP are the ones that first will flag and identify a proposed coverage that is coming out from one of the MACs, and we will review those. First the subcommittee will be asked if we think it's something that we might want to comment on. If it is something that we think as a subcommittee we want to comment on, we will reach out to the appropriate subject matter experts because in payment policy, while some of the members in the Payment Policy Subcommittee do have expertise in the areas that we are reviewing, oftentimes it requires additional help. And we will often reach out, for example, to some of the groups within the Council on Scientific Affairs and the specific members there. Additionally, we will also reach outside of CAP at times, for example, with AMP, the Association of Molecular Pathologists, and many of our members are in that as well, to review these policies and come up with a decision on what type of comments we want to make, draft those comments, review those comments, and then submit them to CMS.

We have actually been quite successful over the years since we started this work group, which we formally started about five years ago, which has members of payment policy and then also some members of the CSA on that as well. And we've been quite successful with a number of the policies that we reviewed and our comments that we have sent to CMS. In fact, they often actually put the exact language that we suggest into the proposed rule. So it has been very beneficial. We review this every year to see what our success rate is as to whether or not we feel that our comments were helpful or if we were able to make some sort of impact. And overall it's been quite successful.

**Dr. Jonathon Myles:**

Thank you, Dr. Emory. Dr. Nowak, in terms of member engagement outside of EAC, what can the individual pathologists do to help in the valuation of our codes and to make sure that we get paid for the work that we do?

**Dr. Jan Nowak:**

I can think of several areas where individual members can be helpful. So the CPT-RUC Subcommittee is one of the entities that has a major responsibility in maintaining the CPT code set that applies to pathologists and laboratory medicine. That's what we do. It's important that pathologists understand how their services are described by CPT codes. So they should endeavor to know how their work and services is being recognized by a CPT code and to understand that the correct CPT codes are being used. These codes are designed to recognize the work and the reimbursement that pathologists are entitled to. So be sure that you know what CPT codes you're using and use them. If you don't use them, they will fall by the wayside.

The other place this is important is in valuation. As was mentioned I think before, these CPT codes come up for revaluation every few years, and the revaluation depends on a survey that will go to those individuals who actually use those codes. So if pathologists are not using the codes to which they're entitled to, they will not be eligible to participate in that survey. And to that, I would also add when the CAP EAC sends out a survey, it's important for pathologists to participate and answer that survey. A small number of responses is not enough to take to the RUC committee and argue for reimbursement. So those are, I think, the most elemental ways in which an individual pathologist can help.

**Dr. Jonathon Myles:**

Thanks. Dr. McLawhon, our members are often mystified by CPT and the RUC and the valuation and what gets covered and what doesn't get covered from a payment policy perspective. Where can the individual pathologists go to get more information on economic issues that affect them?

**Dr. Ronald McLawhon:**

Well, one place to obtain that information is on the CAP website. We do provide information there. We do provide information periodically and CAP Today. If you have specific questions, you always can reach out to the Economic and Regulatory Affairs staff in the Washington DC office or any of us on the EAC committee to provide assistance as well. But there are a lot of resources that the college already provides on cap.org that can help guide you.

**Dr. Jonathon Myles:**

Yeah, I agree with you. The cap.org, the website in terms of advocacy has really been recently updated. And if you just click on that advocacy tab, it'll take you there and you can maneuver around. There's a lot of stuff in there, not only on payment for our services, but a lot of regulatory issues that Dr. Emory's involved in, such as the No Surprises Act and good faith estimates.

One of the things that we've heard a lot about is the importance of state pathology societies and individual pathologists in the states being involved in. I know Dr. Emory, you mentioned the word CAC and MAC. Can you tell us what the CAC is and what the MAC is and the role that the state pathology societies play in that process?

**Dr. Teresa Emory:**

Sure. So the MAC is the Medicare Contractor Advisory Group. The CAC is the Contractor Advisory Committee, and the CACs are regional and by state, and usually there are members that are appointed by different groups of physicians to be on the local CAC to help advise, especially with regard to local coverage determinations, what should be covered and that sort of thing. So this is something that we have within our coverage advocacy we keep a list of the CAC members nationally that are pathologists. And so when we have an issue and there's going to be a CAC meeting, we will notify them and try to bring them up-to-date prior to that meeting.

There's been some unfortunate changes recently to the way that the CAC advisory role has been diminished recently, and we're currently working with a group of stakeholders now to try to address that issue that has recently, since about the 21st Century Cures Act going through where their role seems to be diminished. But this is an important opportunity for members to be involved in on a state level with their state pathology society.

**Dr. Jonathon Myles:**

Thank you. Boy, we've really talked a lot about complex issues today, and you can see that this committee affects all pathologists, whether you're an anatomic pathologist, clinical pathologist, or a molecular pathologist, and it really requires engagement of multiple types of talented individuals, including you who are listening to this podcast. I want to ask our panel members, do you have anything that you'd like to add that we haven't covered thus far?

**Dr. Ronald McLawhon:**

I'd like to remind all our members too to please tap into the resources we provide periodically during the year through webinars, especially when we roll out new CPT codes. We've done this when the pathology clinical consultation codes came out. We've talked a little bit with respect to the Category III digital pathology codes. We have courses that we provide at the annual meeting if you want to learn more there, that's very helpful to you as well. In fact, we have in recent past given little tutorials on the CPT RUC survey process. And other areas, like I said earlier, if you go out on cap.org, you can always find FAQs out there as well that can help guide you through the payment maze that we continue to deal with, both with government payers and private payers and all the regulations that are affecting us these days.

**Dr. Jonathon Myles:**

Thanks. Dr. Emory?

**Dr. Teresa Emory:**

Well, I think that what's really important, well, there's a lot of things really important, but it is important for members to let us know, let CAP know when there are issues, particularly with regard to payment policy. We see problems popping up here and there, but we don't know about them unless the members engage with the CAP and I think you can go to the website and you can communicate, I think, some through that. But in any case, the Payment Policy Subcommittee, Economic Affairs in general, we're interested in knowing when there are issues. We also really, I think, are always looking for that pipeline of the next group of people that want to be involved in this and going forward and reviewing the types of things we do and helping us make the changes. This is something that we rotate on and off, and so it's really important if you're interested, for you to make that known so that we can continue to do the kind of work we do for the membership.

**Dr. Jonathon Myles:**

Thank you. And I want to reiterate that it's important that we hear from our members because we really don't know what's going on in all 50 states with all different types of practices. So if you go to the website, you can see the list of the committee members on the Economic Affairs Committee. You can also email me at mylesj, M-Y-L-E-S-J, @ccf.org, and I'll make sure that your inquiry gets to the right person. Dr. Nowak, any parting words?

**Dr. Jan Nowak:**

I think we've covered the full range of activities that are important to pathologists and how they are compensated. One needs to be familiar with CPT codes that describe the services that the pathologist does, how those services are billed, how they're valued by the RUC, and how they're covered by various payers. Pathologists should not hesitate to engage payers to have discussions with them. And the final thing is communication. Communication through your local pathology organization, through your state organization, and with your national organization and FCAP, and that's the full range.

**Dr. Jonathon Myles:**

Thank you. I want to thank the three panelists that we've had today to talk about the Economic Affairs Committee. I also want to thank all the CAP staff in the Washington DC office that are working for us every day to make sure that we can survive the economic challenges that we all face. And I want to thank you who are listening to this podcast because by listening in, you're helping in our advocacy efforts. Thank you and good day.