Proposed 2020 Medicare Policy and Payment Changes for Pathologists

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August 29, 2019
Welcome

Donald S. Karcher, MD, FCAP

• Chair, CAP Council on Government and Professional Affairs
Welcome

W. Stephen Black-Schaffer, MD, FCAP

- Chair, CAP Economic Affairs Committee
Welcome

Emily Volk, MD, MBA, FCAP

• Vice Chair, CAP Council on Government and Professional Affairs
• Chair of the CAP Clinical Data Registry Ad-Hoc Committee
Proposed 2020 Medicare Physician Fee Schedule and Quality Payment Program Regulations

- Proposed 2020 Medicare Physician Fee Schedule and Quality Payment Program regulations were released on July 29
  - CAP members received a special *Advocacy Update* 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 27
- Final regulations expected Fall of 2020
Agenda

• CAP Policy and Advocacy
• Proposed 2020 Fee Schedule and Reimbursement Policy Overview
• Proposed 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 proposed 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 $22 million Difference: Advocacy on the Medicare Fee Schedule in 2017, 2018, 2019

Medicare Payments to Pathologists By Yearly CMS Regulatory Cycle

Impact of CAP Advocacy
2017: +$8 million
2018: +$7 million
2019: +$7 million

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A never-ending process . . .

Since 2006, 47% of pathology CPT codes have been targeted for revaluation by CMS.
Proposed 2020 Fee Schedule and Reimbursement Policy Overview
## Proposed 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>$1,158</td>
<td>~0%</td>
<td>0%</td>
</tr>
<tr>
<td>Independent Laboratory</td>
<td>$640</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
## CMS Proposal for 2020: Cytopathology, Cervical or Vaginal

<table>
<thead>
<tr>
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</thead>
<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>
<td>0.42</td>
<td>0.26</td>
<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>
<td>0.42</td>
<td>0.42</td>
<td>0.26</td>
<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>
<td>0.42</td>
<td>0.26</td>
<td>-38%</td>
</tr>
</tbody>
</table>
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
Any Change in E/M RVUs Impacts the Entire Medicare Spending for All Specialties

• Last E/M Revaluation in 2007 resulted in:
  o Estimated impact of $4 billion
  o Overall pathology impact of -7%
E/M Revaluation Impact on Pathology: Three Scenarios for 2021

- CMS 2018 Initial Proposal: –6% to –8%
- AMA CPT/RUC Coding & Revaluation: –5%
- CMS 2020 Proposal with Expanded Primary Care: –8% (including estimated add-on payment impact)
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%
Evaluation and Management (E/M) Services

Changes

• Due to overwhelming objections, last year the CMS delayed implementation of its proposal

• The CAP joined an AMA Workgroup to develop alternatives to the CMS’ proposed revision to E/M coding and payment, included extensive edits of guidelines, definitions, examples, instructions, and code descriptors for office visit codes

• For 2020, the CMS proposed to expand the AMA’s proposal, resulting in expanded increases in payment for E/M office visit services
## E/M Proposed 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>-5% to -8%</td>
<td>-$60.15 to -$102.3</td>
</tr>
<tr>
<td>Independent Laboratory</td>
<td>$592</td>
<td>-2% to -4%</td>
<td>-$11.8 to -$23.7</td>
</tr>
</tbody>
</table>
Mis-valued Code Initiative Continues

• Fine Needle Aspiration Biopsy Services identified as potentially **misvalued**
  
  o 10021 - Fine needle aspiration biopsy, without imaging guidance; first lesion
  
  o 10005 - Fine needle aspiration biopsy, including ultrasound guidance; first lesion

• The CAP will engage with the AMA RUC and the CMS to protect the value of these services
Pathology Direct Practice Expense Repricing

- The CMS proposed to update 36 direct practice expense supplies and equipment prices
- 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 as proposed represent an additional $30 million for pathology
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 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).
Proposed 2020 Medicare Quality Payment Program Requirements
Quality Payment Program Pathways

Two pathways/tracks are offered under the QPP:

- **MIPS**
- **Advanced APMs**
Year 4 MIPS Implementation

Performance Year 2020: The CMS increased the Performance Threshold to **45 points**, and the Exceptional Performance Bonus Threshold to **80 points**.

Payment Year | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024
--- | --- | --- | --- | --- | --- | --- | --- | ---

| Proposed 2021 Performance Threshold | 60 Points |
| Proposed 2021 Exceptional Performance Threshold | 85 Points |
Proposed 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 65% and your Cost category score will be 20% of your overall MIPS score.
## Proposed 2020 MIPS Requirements for Pathologists

<table>
<thead>
<tr>
<th>Performance Category</th>
<th>Minimum Performance Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality</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>Improvement Activities</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>• <strong>Group participation threshold increased from a single clinician in a group performing an IA to 50% of clinicians in a group performing the IA that the group is attesting to</strong></td>
</tr>
</tbody>
</table>
CMS proposes that the new pathology measure set is only two measures, both skin cancer: Melanoma reporting, and BCC/SCC biopsy reporting time

<table>
<thead>
<tr>
<th>Measures Proposed for Removal from 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>
</tbody>
</table>

Measure Previously Finalized for Inclusion in Measure Set

<table>
<thead>
<tr>
<th>Measure Previously Finalized for Inclusion in Measure Set</th>
<th>Submission Mechanism</th>
</tr>
</thead>
<tbody>
<tr>
<td>397: Melanoma Reporting*</td>
<td>X</td>
</tr>
</tbody>
</table>

Measure Proposed for Addition to Measure Set

<table>
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<th>Measure Proposed for Addition to Measure Set</th>
<th>Submission Mechanism</th>
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</thead>
<tbody>
<tr>
<td>440: Basal Cell Carcinoma (BCC)/Squamous Cell Carcinoma (SCC): Biopsy Reporting Time – Pathologist to Clinician*</td>
<td>--</td>
</tr>
</tbody>
</table>
Proposed 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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<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

<table>
<thead>
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<th>Points</th>
<th>Practice Size</th>
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<tbody>
<tr>
<td>0</td>
<td>Large Practice (16+ pathologists)</td>
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<tr>
<td>3</td>
<td>Small practice (≤15 pathologists)</td>
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Signaling Future Changes with MIPS Value Pathways (MVPs)

- New proposal 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
Proposed 2020 Alternative Payment Model (APM) Updates

• The proposed 2020 QPP rule provides more details on how the agency will incentivize physicians who participate in Advanced APMs
  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

Upcoming Webinars

• Visit cap.org/advocacy for MIPS tools and resources

• 2019 Updates
  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
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• Visit CAP.org > advocacy

• Read Advocacy Update

• Join PathNET, the CAP’s grassroots advocacy network
Questions