



COLLEGE of AMERICAN
PATHOLOGISTS

Proposed 2020 Medicare Policy and Payment Changes for Pathologists

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August 29, 2019

Welcome

Donald S. Karcher, MD, FCAP

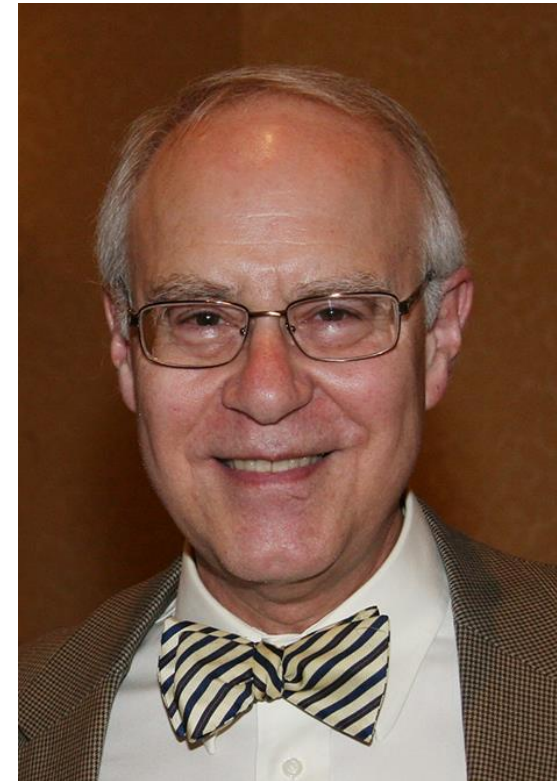
- **Chair, CAP Council on Government and Professional Affairs**



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

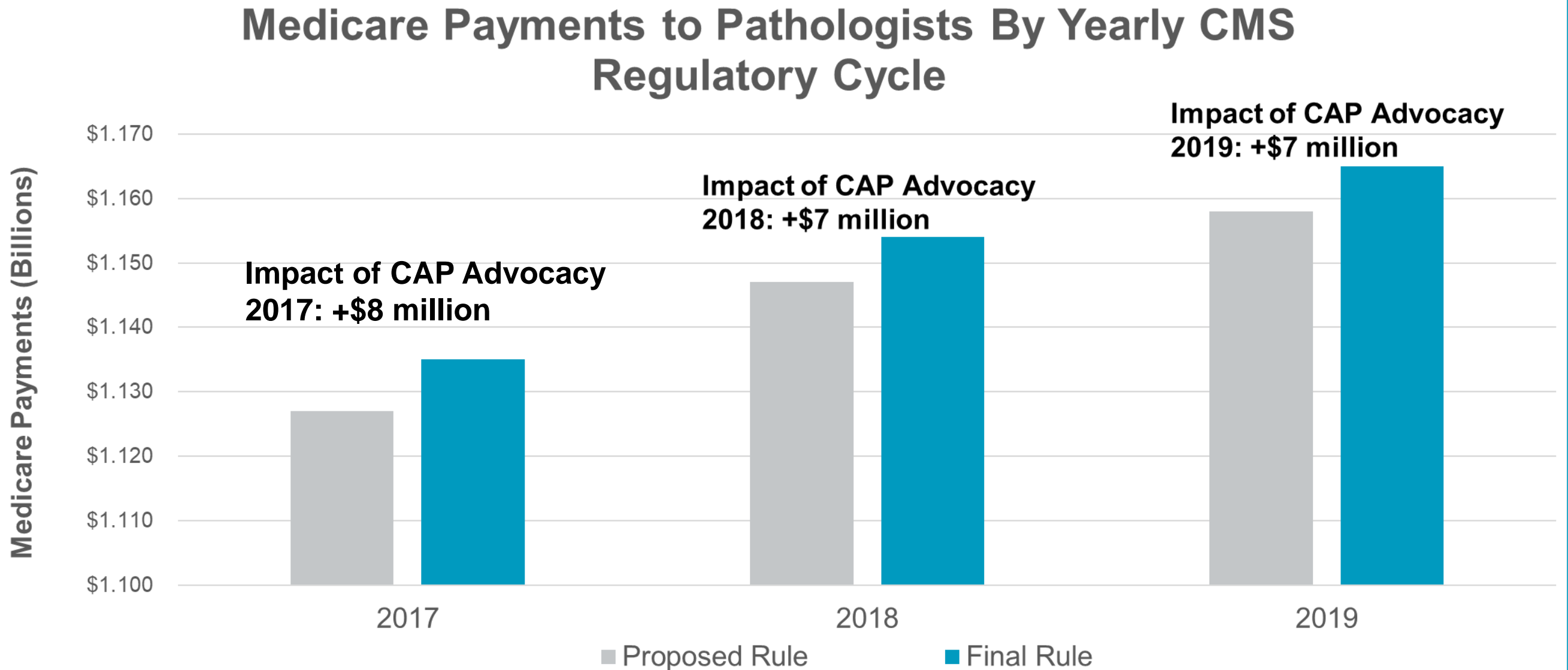
CAP Advocacy Priorities

- **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:**
 - 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, 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



A never-ending process . . .

**Since 2006, 47% of pathology CPT codes
have been targeted for reevaluation by
CMS.**

Proposed 2020 Fee Schedule and Reimbursement Policy Overview

Proposed Payment for Pathology Services 2020

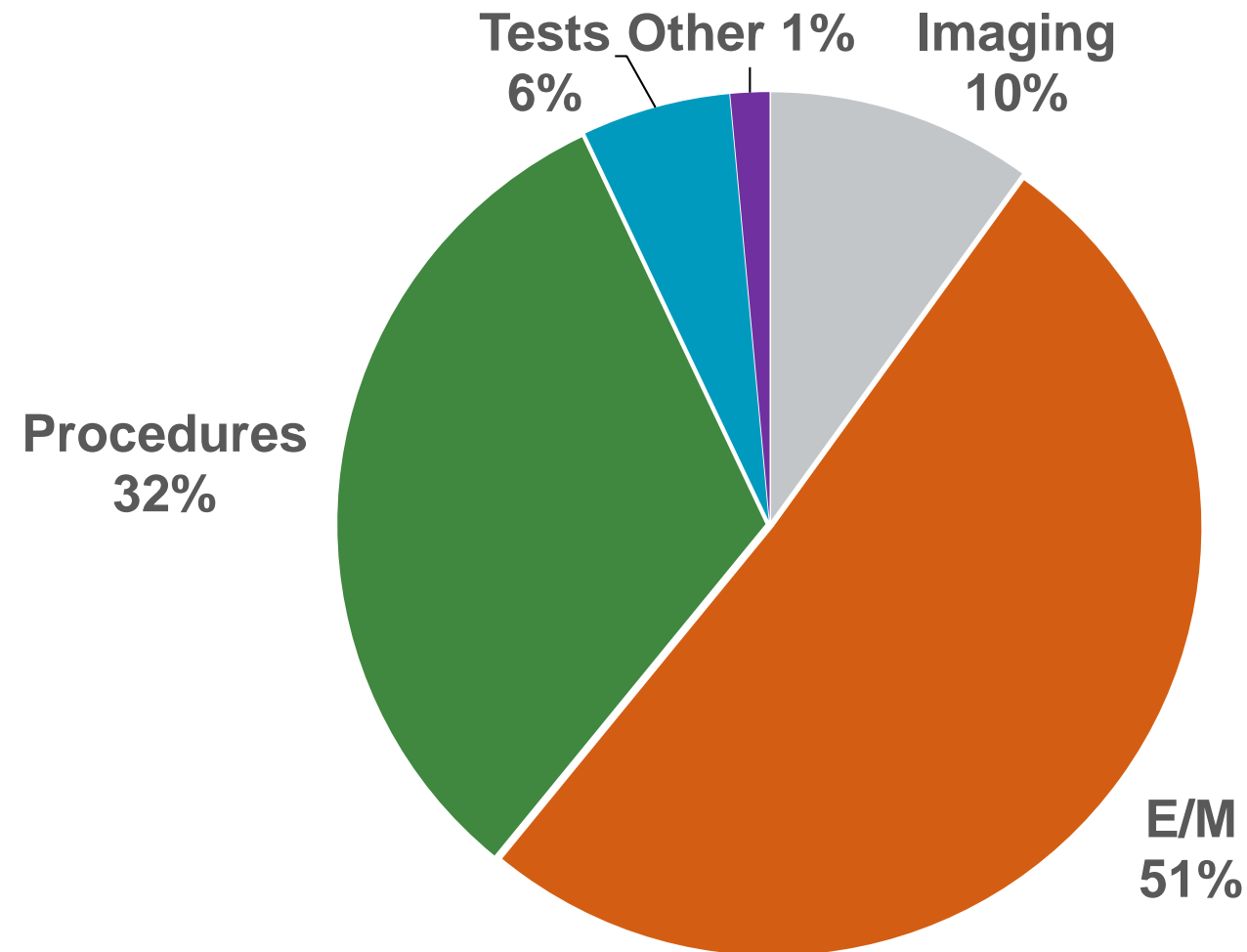
Specialty	Allowed Charges (millions)	Work RVU Impact Change	Combined Work + PE Impact
Pathology	\$1,158	~0%	0%
Independent Laboratory	\$640	~0%	1%

- 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

CPT Code	DESCRIPTION	Work RVU 2019	RUC Rec Work RVU	Work RVU 2020 Proposed	% Change 2019-2020
88141	Cytopathology, cervical or vaginal (any reporting system), requiring interpretation by a physician	0.42	0.42	0.26	-38%
G0141	Screening cytopathology smears, cervical or vaginal, performed by an automated system, with manual rescreening, requiring interpretation by a physician	0.42	0.42	0.26	-38%
G0124	Screening cytopathology, cervical or vaginal (any reporting system), collected in preservative fluid, automated thin layer preparation, requiring interpretation by a physician	0.42	0.42	0.26	-38%
P3001	Screening papanicolaou smear, cervical or vaginal, up to three smears, requiring interpretation by a physician	0.42	0.42	0.26	-38%

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:**
 - Estimated impact of \$4 billion
 - 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:**
 - **Anesthesiology** – 7%
 - **Pathology** – 8%
 - **Radiology** – 8%
 - **Cardiac Surgery** – 8%
 - **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

Specialty	Allowed Charges based on CY 2018 utilization and CY 2019 rates (millions)	Combined Impact of E/M Redistribution	Dollars Represented in Millions
Pathology	\$1,203	-5% to -8%	-\$60.15 to -\$102.3
Independent Laboratory	\$592	-2% to -4%	-\$11.8 to -\$23.7

Mis-valued Code Initiative Continues

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

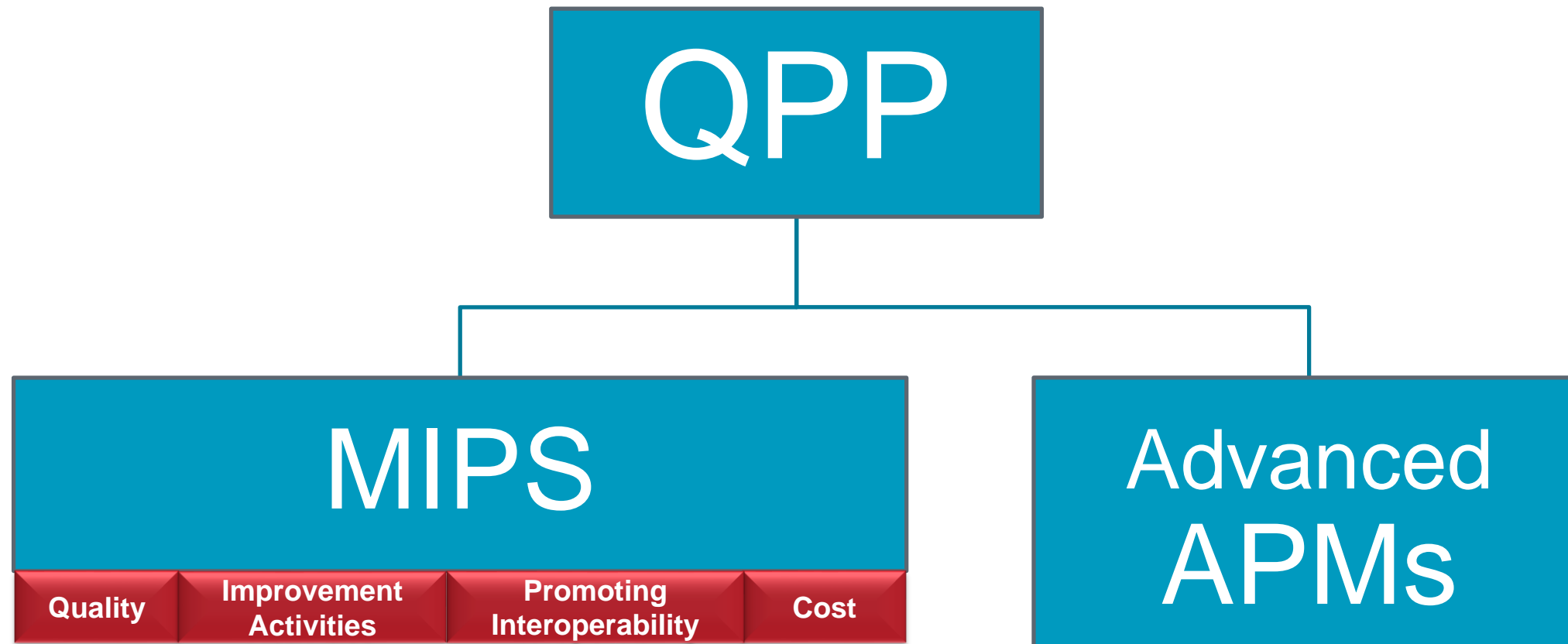
Impact on Independent Laboratories

- 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

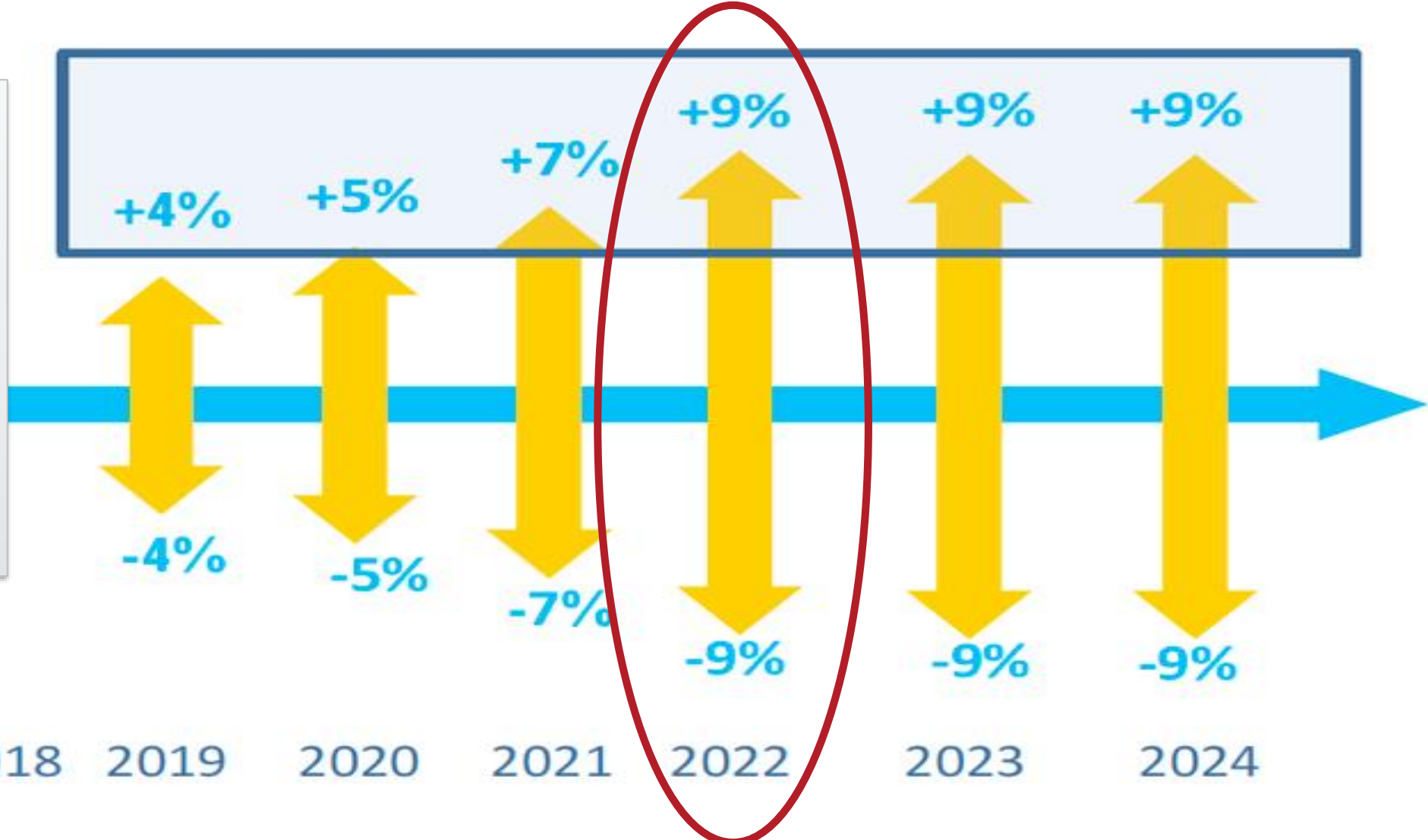
Quality Payment Program Pathways

Two pathways/tracks are offered under the QPP:



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**

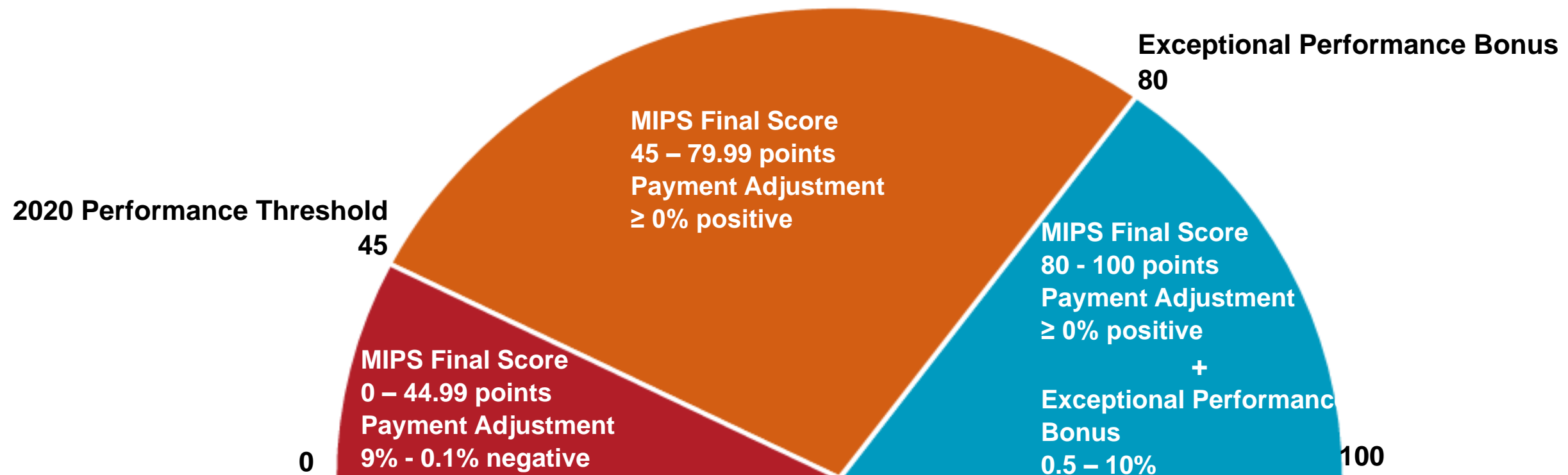


Payment Year 2017 2018 2019 2020 2021 2022 2023 2024

Proposed 2021 Performance Threshold	60 Points
Proposed 2021 Exceptional Performance Threshold	85 Points


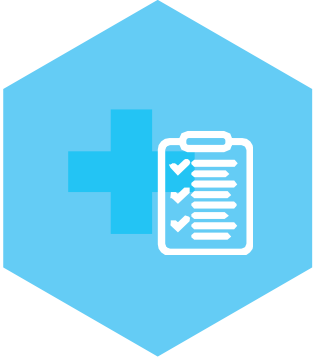
Proposed 2020 MIPS Performance Year

- 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

Performance Category	Minimum Performance Period
 <p>Quality</p>	<ul style="list-style-type: none"> • Score out of 60 points • 6 measures for 12 months; 70% data completeness • Measures can be submitted via multiple mechanisms • Medicare Part B Claims Submission only available to small practices • Small practice bonus added to Quality score
 <p>Improvement Activities</p>	<ul style="list-style-type: none"> • Score out of 40 points • Attest to 2 medium-weighted or 1 high-weighted • 90 days reporting • 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

2020 Proposed Pathology Quality Measures Set

CMS proposes that the new pathology measure set is only two measures, both skin cancer: Melanoma reporting, and BCC/SCC biopsy reporting time

Measures Proposed for Removal from Measure Set	Submission Mechanism	
	Claims	Registry
249: Barrett's Esophagus Reporting	X	X
250: Radical Prostatectomy Reporting	X	X
395: Lung Cancer (biopsy/cytology)*	X	X
396: Lung Cancer (resection)*	X	X
Measure Previously Finalized for Inclusion in Measure Set		
397: Melanoma Reporting*	X	X
Measure Proposed for Addition to Measure Set		
440: Basal Cell Carcinoma (BCC)/Squamous Cell Carcinoma (SCC): Biopsy Reporting Time – Pathologist to Clinician*	--	X

Proposed 2020 MIPS Quality Measure Scoring:

Submit a representative sample that is a minimum of 70% of all eligible cases

- **Measure value**

Max Points	Measure
10	With benchmark
7	Topped-out
3	Without benchmark

- **Submitting below 20 case minimum**

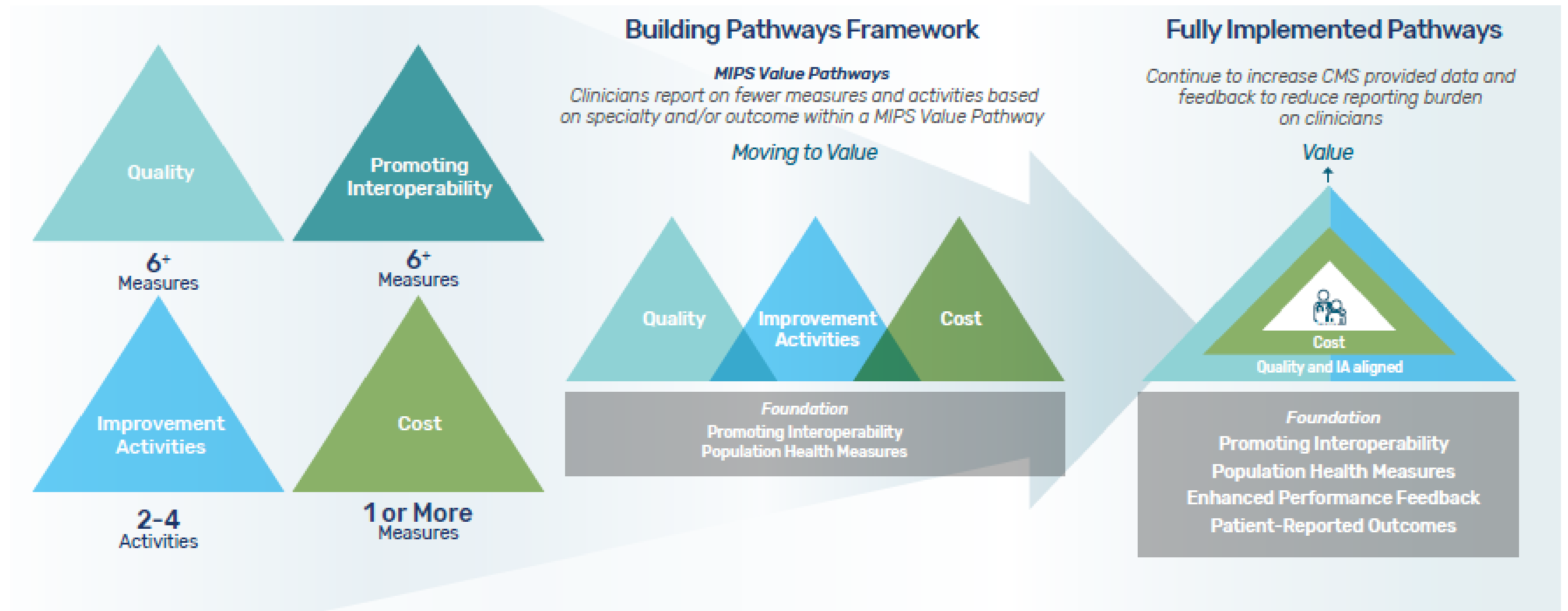
Points	Practice Size
3	Large Practice (16+ pathologists)
3	Small practice (≤ 15 pathologists)

- **Submitting less than 70% data completeness**

Points	Practice Size
0	Large Practice (16+ pathologists)
3	Small practice (≤ 15 pathologists)

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**
 - **Expected expenditures – financial risk**
 - **Partial Qualifying Participant (QP) determination**
 - **QP Performance Year and termination of Advanced APM**

Before we take questions ...

MIPS Educational Webinar Series

Upcoming Webinars

- Visit [cap.org/advocacy](https://www.cap.org/advocacy) for MIPS tools and resources
- **2019 Updates**
 - Making Sense of CMS's Quality Payment Program (Video)
 - MIPS Checklist for Pathologists
 - MIPS FAQs
 - MIPS Financial Impact Calculator
 - MIPS Webinar Series
 - Pathology-specific Quality Measures
 - 2019 Improvement Activities for Pathologists

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- **Join PathNET, the CAP's grassroots advocacy network**

Questions



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