

September 27, 2019

The Honorable Seema Verma
Administrator
Centers for Medicare & Medicaid Services
Department of Health and Human Services
Mail Stop 314G
200 Independence Ave SW,
Washington, DC 20201

Re: Evaluation and Management (E/M) Payment Policy in the 2020 Medicare Physician Fee Schedule Proposed Rule

Dear Administrator Verma:

The American College of Radiology (ACR), representing more than 38,000 diagnostic radiologists, interventional radiologists, radiation oncologists, nuclear medicine physicians and medical physicists, has significant concerns regarding the proposed Evaluation and Management (E/M) payment policy as described in the 2020 Medicare Physician Fee Schedule (MPFS) Proposed Rule. We are sending you this letter separately from our submitted comments to the Proposed Rule to underscore our concerns about the direction and consequences of this proposed policy.

The ACR appreciates the Centers for Medicare & Medicaid Services' (CMS') commitment to reducing physician burden and documentation requirements. We also support the American Medical Association's (AMA's) purposeful approach to restructuring and revaluing the office-based E/M codes and the concordant recommended increases in primary care payments these updates will provide. However, the ACR is deeply concerned about the sizable cuts this update will impose upon radiology and other medical specialties who do not frequently bill E/M services. This could have a devastating impact on many in the medical community and ultimately a negative impact on our patients.

One of the guiding principles established by the AMA's Current Procedural Terminology® (CPT®)/ Relative Value Scale (RVS) Update Committee (RUC) Workgroup was, **“To ensure that payment for E/M is resource-based and that there is no direct goal for payment redistribution between specialties.”** Despite this assertion, the opposite could occur largely because of the sheer volume of these office-based codes billed. For instance, office-based codes currently receive an annual estimated aggregate payment of \$23 billion, constituting roughly 25 percent of all MPFS spending. Therefore, within the budget neutral mandate of the MPFS, even a small increase in an E/M payment would have a large effect on specialties that do not frequently, if ever, bill E/M codes. According to Table 111 in the Proposed Rule, in the case of radiology,

this will result in an 8 percent reduction to the specialty. In addition, there is a 6 percent reduction for interventional radiology, 5 percent reduction for nuclear medicine, and 4 percent reductions for radiation oncology and radiation therapy centers. These reductions would be on top of approximately 12 percent overall payment reductions to diagnostic radiology services from 2006 to 2017 enacted through previous CMS and Congressional policy changes, despite an increase in overall services delivered.

Analysis conducted by The Moran Company (TMC) shows that increased valuation of E/M services, without any offset to the conversion factor (CF), would result in an increased reimbursement to E/M services of approximately \$5 billion dollars in a single year alone. TMC estimates suggest that a reduction to the CF of approximately 5 percent (or more if CMS finalizes GPCIX) will be necessary to maintain budget neutrality and offset this increase in E/M valuation. While a CF reduction will dampen the E/M increase to an estimated \$3.7 billion, it will squarely hit all other services thereby imposing a disproportionate share of the reduction on specialties that have no means to mitigate it through appropriately billed E/M services.

The ACR contends that the intent of this AMA RUC effort was not this massive redistribution of MPFS payments. As such, we believe that Budget Neutrality as mandated under section 1848(c)(2)(B)(ii)(II) should be suspended. Suspending budget neutrality requirements until such time that Congress can set the parameters of this payment policy change will afford E/M providers the full benefit of the rate increases, while alleviating other providers from the erroneous burden to “pay for” it.¹

The ACR also believes that the new GPCIX code is unnecessary. CMS’ intent is to ensure payment for outliers to the typical patients described by the newly revised office visit codes. However, the revised office codes are already designed to capture this complexity. We are concerned that the ambiguity of this code and the implicit direction from CMS that it be added to every, or nearly every, office visit creates integrity issues for CMS. For instance, CMS offers no information about how appropriate use will be determined (audited) or what documentation shall be expected. If the intent is to capture services related to care coordination, the MPFS already includes CPT codes for chronic care management (99490 and 99491), transition care management (99495 and 99496), complex condition care management (99487 and 99489) and the proposed “Principal Care Management codes.”

We are also concerned with the limited number of specialties projected to receive payment for this add-on code based on comparison of impacts found on Tables 111 and 117 in the Proposed Rule. Furthermore, the creation of this unnecessary code will needlessly redistribute another \$1.5 billion dollars between specialties at a time when those specialties that do not bill E/M codes face struggles with the massive redistribution triggered by the above-described office based E/M code increases.

¹ Noting that other technical factors, such as practice expense, may still require additional resolution.

The ACR encourages CMS to rethink the proposed E/M policy and recognize the possible consequence of the proposal on those providers who rarely bill for these services. We encourage you to defer this issue to the Congress due to the enormity of its' impact on certain physician specialties.

Please feel free to contact Cynthia Moran, ACR Executive Vice President at Cmoran@acr.org with any questions you might have. Thank you.

Respectfully Submitted,



William T. Thorwarth Jr, MD, FACR
Chief Executive Officer

cc: Cynthia Moran, ACR
Angela J. Kim, ACR
Kathryn Keysor, ACR

Enclosure: Key findings from the E/M analysis by The Moran Company: Estimated Effects of the CMS Proposal to Increase Physician Fee Schedule Reimbursement for Office and Outpatient Evaluation and Management Services