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## Medicare Payment for Consultation Codes to be Eliminated by CMS Proposed Rule

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Payment Group

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CMS, in its CY 2010 Proposed Physician Fee Schedule (PFS), has proposed to eliminate billing codes for consultation services in most situations. The rule would allow consultation codes in the context of initial visits for telehealth services, but any other services that are currently billed as consultation codes would have to be billed as new or established office visits, initial hospital visits, or initial nursing facility visits. CMS proposes to implement the rule in a budget neutral manner by increasing the relative value units (RVUs) associated with new and established office visits, and with initial facility visits for hospitals and nursing homes. The elimination of consultation codes would effectively eliminate the reimbursement advantage for physician specialists providing consultation services, which have historically been paid at a higher rate than new and established office visits, initial hospital visits, or initial facility visits.

Consultation services are evaluation and management services that are provided by physicians, based on a request by another physician or appropriate source. CMS's current policy is to only reimburse consultation services if such request is documented, along with a written report prepared by the consulting physician. The AMA CPT coding manual does not articulate this documentation requirement, and there are significant disparities among physicians with respect to documentation of the request and written report. There are further disparities regarding the differences between a consultation and a "transfer of care." Due in part to the tension between CMS policy and AMA guidance, CMS acknowledges in the proposed rule that physicians have had difficulty adhering to its standards for reimbursement of consultation services.

CMS also argues that the historical rationale for payment of consultation services at a higher rate, the fact that CMS initially required significantly more documentation with respect to such services, no longer exists. CMS has incrementally changed its documentation requirements due to the conflict between its policy and AMA guidance, so that CMS argues that documentation requirements are now substantially similar among consultation services, office visits, and hospital and facility visits.

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In order to implement the rule in a budget neutral manner, CMS proposes to increase work RVUs for new and established office visits by approximately 6%, and to increase work RVUs for initial hospital and facility visits by approximately 2%.

**Ober|Kaler's Comments:** While these changes may be budget neutral from CMS's perspective, physicians and providers may experience differences in their reimbursement depending on the mix of consultation codes they are currently billing to CMS. This difference can potentially be positive, as with a physician who infrequently bills consultation codes, and will therefore experience a windfall when the work RVUs for office visits increase. Conversely, a physician who supplies a disproportionately large share of consultation services may see a net decrease in reimbursement. Physicians, hospitals and facilities that anticipate a net decrease in reimbursement due to the elimination of consultation codes may want to weigh in on the rule. Comments on the proposed rule, [which can be viewed here](#), must be received by CMS by August 31, 2009.

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