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CMS Releases its CY 2013 Physician Fee Schedule Proposed Rule

By: [Mark A. Stanley](#)

CMS has released its Calendar Year (CY) 2013 Proposed Rule for practitioners who are paid under the Physician Fee Schedule (PFS). CMS anticipates that many non-primary care specialties will see a decrease in payments under the proposed rule. As a corollary, primary care physicians would see payment rates increase under the proposed rule. CMS estimates that family care physicians would experience a 7 percent increase in payment rates, and other primary care physicians would see their payment rates increase 3-5 percent. The proposed rule may be viewed [here \[PDF\]](#). It is expected to be published in the July 30, 2012 *Federal Register*, with comments due no later than **September 4, 2012**.

CMS anticipates that, without changes to current law, the Sustainable Growth Rate (SGR) adjustment to physician reimbursement will result in an approximate 27 percent cut in payment rates for 2013. This adjustment has historically been reversed through congressional intervention.

Among other changes, the proposed rule would:

- **Continue implementation of the value-based payment modifier under the Affordable Care Act (ACA).** Beginning in CY 2015, CMS would apply the value-based payment modifier to groups of 25 or more physicians. The modifier would be set at a 1 percent reduction for such physician groups that do not participate in the physician quality reporting system (PQRS).
- **Establish a new payment for services rendered to patients who are transitioning back to the community following certain discharges.** CMS would create a new procedure code for non face-to-face care provided by a community physician in the 30 days following a patient's discharge from an inpatient hospital stay, skilled nursing facility stay, and specified outpatient

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services. The payments would reflect the community physician's efforts to coordinate the patient's care during the effective period.

- **Create two new categories of potentially misvalued codes for review:** "Harvard-valued" services for which the annual Medicare allowed charges are at least \$10 million and services with stand alone practice expense procedure times.
- **Reduce certain payment rates under the potentially misvalued code initiative.** The reductions would affect two radiation oncology treatment delivery methods: intensity-modulated radiation treatment and stereotactic body radiation therapy.
- **Change interest rate assumptions used to calculate payment for practice expenses.** In order to more accurately reflect current economic conditions, the rule would change the interest rate assumption from 11 percent to a range from 5.5 to 8 percent. CMS anticipates that the change would cause a decrease in payments to capital-intensive specialties.
- **Expand the multiple procedure payment reduction (MPPR).** The rule would apply a 25 percent MPPR to the technical component of cardiovascular and ophthalmology diagnostic services. CMS would reimburse the highest cost procedure at the full payment rate. The technical component of other diagnostic services furnished by the same physician or group practice to the same patient on the same day would be subject to the 25 percent MPPR.
- **Require face-to-face treatment as a prerequisite to payment for certain high-cost durable medical equipment items.**
- **Expand the list of services eligible for coverage as telehealth services.** The rule would add several preventative services to the list of telehealth-eligible services. The services include several screening and behavioral counseling services related to alcohol misuse, obesity and sexually transmitted diseases, as well as annual face-to-face intensive behavioral therapy for cardiovascular disease and annual depression screening.
- **Eliminate the one year limitation placed on contractors for complex prepayment medical review.**
- **Expand the list of professionals that can order Medicare-covered portable x-ray services.** The rule would revise the conditions of coverage in

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order to allow non-physician practitioners and limited-license physicians to order portable x-ray services, consistent with state licensure rules.

- **Update physician incentive programs – the Physician Quality Reporting System (PQRS), the ePrescribing (eRx) Incentive Program – as well as the Electronic Health Records (EHR) Incentive Program.** The rule would align quality reporting across the programs and would offer simplified options for reporting.
- **Complete the transition to the new practice expense relative value units.** CMS began transitioning to data from the Physician Practice Information Survey (PPIS) with the CY 2010 PFS final rule.

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