

Proposed Medicare cuts of 11-15 percent will restrict patient access to cardiac care

SGR-mandated cut of 21.5 percent an additional, fatal blow

Medicare's Proposed 2010 Physician Fee Schedule contains numerous provisions that will prove devastating to private practice Cardiology—and dramatically affect patient access—if made permanent in the final rule:

Practice expense cuts of 11-15 percent or more will cut reimbursement for common cardiac procedures by a staggering 40 percent or more.

1) Incomplete data used to cut practice expense payments: The Centers for Medicare and Medicaid Services (CMS) used data from the American Medical Association's Physician Practice Information Survey (PPIS) to help determine reimbursement for practice expenses. But the AMA survey provided data from only 55 cardiologists—representing only one-quarter of 1 percent of the cardiologists in the United States. 2009 practice expense payments were based on survey data that passed stringent statistical tests regarding reliability and representativeness. Clearly, the latest PPIS survey and resultant data was insufficient to base such drastic changes to the reimbursement formula.

If implemented, this proposal alone would decrease total Medicare cardiology payments by a minimum of 10 percent. It could be as high as 25 percent depending on practices' mix of services, since reimbursement for most of the commonly performed cardiac procedures would be cut by 11-40 percent or more:

- ◆ Transthoracic echo with spectral and color flow Doppler: 42-percent cut
- ◆ Left heart catheterization: 24-percent cut
- ◆ EKG: 21-percent cut

2) Incomplete data used to increase EU assumption rate: In the Proposed 2010 fee schedule, CMS would increase the equipment utilization (EU) assumption rate from its current 50 percent to 90 percent for equipment costing \$1 million or more (MR, CT and PET). An increase of this magnitude would cut Cardiology imaging reimbursement by 2 -5 percent.

This massive increase is based on flawed, incomplete data and erroneous assumptions by the Medicare Payment Advisory Committee (MedPAC). CMS and MedPAC fail to take into consideration re-scans, no-shows, down time, empty slots, time required for preparing a patient and other realities of providing imaging services.

- ◆ A survey by the Radiology Business Management Association, a national association of business professionals in radiology, shows that imaging equipment in rural regions of the country operates only 48 percent of the time an office is open, while equipment in non-rural areas operates 56 percent of the time a center is open for business.
- ◆ A 2008 MedAxiom survey of approximately 1,500 cardiologists demonstrates that nuclear and echo EU rates are between 44 and 47 percent - less than the current 50 percent utilization rate and just half the time of CMS' proposed rate of 90 percent.

3) Cuts to medical malpractice premium payments: Medicare proposes to update malpractice insurance premium values for practice expenses and change how it determines the medical malpractice reimbursement for Technical Component (TC) services. CMS predicts this will reduce cardiology reimbursement by 1 percent. One of the key flaws in this proposal is the belief that the TC does not require a medical malpractice component—leaving the facility uncovered in this area. In addition, there are errors in the values CMS provides for the malpractice units that prevent accurate formula inputs.

4) Non-payment of consults: Medicare proposes to replace the consultation codes that physicians use in the office or hospital setting with existing in-office codes. Given that Cardiology is a specialty, consultations are an important aspect of the provision of cardiac care. This change will reduce cardiology reimbursement by another 1-2 percent.

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5) **Mis-valued codes and bundling of payments:** While vague in the proposed rule, it is assumed these changes also will decrease Cardiology reimbursement. Bundling procedures based on inaccurate practice expense values will result in erroneous reimbursement levels.

Other Medicare proposals that will negatively affect access to cardiac care

SGR cut of 21.5 percent: Medicare is mandated to implement the Sustainable Growth Rate formula annually unless Congress intervenes to mitigate its effects. The 2010 scheduled decrease is 21.5 percent. That cut alone would force closure of virtually all private practice cardiology offices nationwide.

Barriers to participation in PQRI, e-Prescribing initiatives: CMS proposes changes in how practices can submit Physicians Quality Reporting Initiative (PQRI) data, new PQRI measurement options, and new minimum data submission requirements for the e-Prescribing initiative. These will make it more difficult for physicians to qualify for the 2-percent bonuses offered under the 2008 Medical Improvements to Patients and Providers Act (MIPPA) and could decrease participation in these critical programs.

THE BOTTOM LINE: Patient access will suffer

Private practices cannot absorb these dramatic payment cuts without significantly reducing services, closing rural offices and/or laying off staff. The result?

- ◆ Patients would be directed to the hospital outpatient setting for diagnostic imaging.
- ◆ Patients would have higher co-pays.
- ◆ Patients would face longer waits for appointments and test results.
- ◆ Medicare costs will INCREASE, as the outpatient hospital setting reimbursement rate is UP TO FIVE TIMES HIGHER for the same procedure performed in the physician office setting.

	In-office echo	Outpatient Hospital Echo
Technical Component reimbursement	\$90	\$453
Medicare patient co-pay	\$18	\$91

Proposed 2010 PFS v. Proposed OPFS

What Congress can do to help ensure continued access to cardiac care

Since comments on the Proposed 2010 Physician Fee Schedule are due August 31, we urge our elected officials to contact HHS Secretary Kathleen Sebelius immediately to request that Medicare:

- ◆ Remove implementation of the results of the AMA's PPIS survey data and "roll back" the practice expense values to 2009 values
- ◆ Leave the EU assumption rate at 50 percent
- ◆ Leave e-Prescribing reporting requirements in place until the infrastructure of SureScripts is consistently reliable; and
- ◆ Ensure PQRI registry options are in place before removing the claims reporting process currently in use.

Proposed 2010 Physician Fee Schedule Cardiology Reimbursement Cuts	
Practice expense, EU rate changes	-10 to -15%
Changes in malpractice payments	-1 %
Non-payment of consultation codes	-1 to -2 %
Implementation of SGR formula	-21.5 %
TOTAL % CUTS	-33.5 to - 39.5 %

Medicare's Proposed 2010 Physician Fee Schedule: devastating to private practice Cardiology and patients' access to cardiac care, the nation's #1 Killer.



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