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Radiology Trends

Wishing you
and Yours a
Very Happy
Holiday Season
and a Happy
and Healthy
New Year!

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CMS Update—Finalized MFPS Rates for 2014

The final rule published by CMS focused on improved care coordination. CMS projects that total payments under that fee schedule in 2014 will be approximately \$87 billion. The 2014 payment rates increase payments for many specialties with some of the greatest increases going to providers of mental health services. The final rule also includes several provisions regarding physician quality programs and the Physician Value-Based Payment Modifier (Value Modifier). CMS also is finalizing several related proposals to the Physician Quality Reporting System (PQRS) for 2014, including a new option for individual eligible professionals to report quality measures through qualified clinical data registries.

CMS also released a final CY 2014 Hospital outpatient and ambulatory surgical center (ASC) payment rule that will give hospitals and ASCs new flexibility to lower outpatient facility costs and strengthen the long-term financial stability of Medicare. Provisions in the final Hospital Outpatient Prospective Payment System (OPPS) rule encourage more efficient delivery of outpatient facility services by packaging the payment for multiple supporting items and services into a single payment for a primary service, similar to the way Medicare pays for hospital inpatient care. The CY 2014 final rule with comment period increases overall payments for hospital outpatient departments by an

estimated 1.7 percent. The final rule is on display at the Federal Register and will be published December 10, 2013.

Additional items and areas of interest worth noting:

- Impact (without SGR): IR -4%, Diag -1%, NM 1%
- Conversion Factor -20.1% update to \$27.2006 from SGR
- No new MPPR policies
- Reweight GPCIs based on more current information
- Revisit potential mis-valued codes, includes US guidance
- Increase in equipment utilization rate to 90% from 75%

The Senate Finance Committee and House Ways and Means Committee released a joint framework for repealing the sustainable growth rate (SGR) formula and replacing it with a new Medicare physician payment system. Key provisions of the framework include:

- Repealing the SGR
- Freezing annual fee schedule payment updates would be frozen for 10 years
- Implementing a new "value-based performance (VBP) payment program" that would be used to adjust payments beginning in 2017

- VBP would combine all the current incentive and penalty programs (e.g., value-based modifier, meaningful use, PQRS) into one budget-neutral program. Payments could be increased or decreased, depending on how well a physician scores relative to others on a composite performance score
- Physicians participating in certain alternative payment models would be exempt from the VBP program
- Ensuring accurate valuation of services under the physician fee schedule. Over a three-year period, misvalued codes would have to be adjusted to achieve 1 percent in total fee schedule savings to avoid reductions in the total physician payment pool. In addition, the Secretary of HHS would collect data on resource use requiring selected physicians to submit information or face a one-year, 10 percent payment reduction
- Applying appropriate use criteria tools, such as clinical decision support (CDS), to certain imaging services; prior authorization requirements would be imposed on outliers
- Publishing utilization and payment data for physicians on the Physician Compare web site