

# RADIOLOGY TRENDS

March 2019

## MIPS 2019 Payment Year: How to Track your Payment Adjustment

As we enter into the final month of the first quarter of the MIPS 2019 Payment Year, I thought it would be a great time to review this year's payment adjustments that resulted from your groups 2017 MIPS Performance Year reporting. Groups that participated as a MIPS-eligible practice earned bonuses or received penalties based on their 2017 MIPS activity, while others may have remained neutral.

When reviewing remittance advice for claims filed with dates of service after January 1, 2019, it is important to properly record the MIPS adjustment in your practice management system. Note that these payment adjustments apply to all Medicare Part B professional covered services. The professional covered services include both the professional and technical component of claims billing as well as global billing. The payment adjustment won't apply to payments for Medicare Part B drugs or other items and services that are not covered as professional services.

CMS has noted that patient copays and deductibles are not affected in any way by your QPP/MIPS bonus or penalty, so don't add/subtract your adjustment amount to what the CMS Remittance Advice states regarding what the patient owes you. In an official QPP Fact Sheet on this subject, CMS notes: "The payment adjustment is applied to the Medicare paid amount, so it does not impact the portion of the payment that a beneficiary is responsible to pay."

I encourage practices to pay close attention to the new MIPS Remittance Advice (RA) codes for those claims with dates of service after January 1, 2019. There are three code types CMS uses to communicate this information: (1) Claim Adjustment Reason Codes (CARCs), (2) Remittance Advice Remark Codes (RARCs) and (3) Group Code (please note: this third group code is used when a contractual agreement between the payer and payee, or a regulatory requirement, resulted in an adjustment).

If you have achieved a positive adjustment, you will see the following line item and a corresponding amount: CARC 144 (incentive adjustment), RARC N807 (payment adjustment based on Merit-based Payment System [MIPS]), and "CO" for the Group code. Those receiving negative adjustments will instead see: CARC 237 (legislated/regulatory penalty), as well as the N807 and CO codes, as stated above.

#### References :

The Corcoran Consulting Group

CMS

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## Price transparency can lead to lower costs, even for those patients who do not shop

10:15 AM on February 12, 2019 by Matt Morrill and Ty Aderhold. The Advisory Board Company is the owner and publisher of this article.

Are patients actually shopping for imaging? Here at the Imaging Performance Partnership, we have been seeing this question more and more of late. While estimates assert that 30% to 40% of health care, including most medical imaging, is shoppable, studies continue to show that patients are not shopping for imaging care as much as one might expect.

However, new research indicates that increases in price transparency can lead to (modest) amounts of shopping and overall reductions in imaging prices. In this particular study, all consumers, even those who did not shop, benefited from lower prices.

The research followed the effect of New Hampshire's state-wide price transparency website, HealthCost, on commercially insured individuals over a five-year period, from 2007 when the website was first launched through 2011. Because only a portion of imaging procedures were listed on the website, the study was able to examine the differences in spending and price for imaging procedures listed on the website versus those that were not.

### Price transparency reduces imaging costs for patients willing to shop

Only 8% of New Hampshire's commercially insured imaging patients used the website, but this limited shopping still reduced overall spending on medical imaging. Overall out-of-pocket costs for consumers for the medical imaging procedures listed on the website were reduced by 5% when compared with those procedures that were not listed, which demonstrates that some patients were using the tool to find lower-cost providers.

This reduction was even more pronounced when looking just at patients who had not yet met their deductible, as these individuals saw a 10.3% reduction in cost for listed procedure. These findings suggest that patients who were going to bear the financial burden benefitted the most from the price transparency website. And patients were not the only benefactors of the tool--there was a 4% reduction in cost for medical imaging visits for insurers as well.



### Effects of transparency on imaging visit price over time

Even though only a small subset of New Hampshire patients accessed the price transparency information, researchers found that all patients benefitted from the website. By comparing price changes over time while holding procedure, price, and insurer constant, researchers identified a reduction in prices due to provider competition and negotiated rates with payers, as opposed to shopping. Overall, total visit prices fell by 2% over that five-year period, which translates into cost savings for all New Hampshire patients, regardless of their awareness of the price transparency website.

As imaging price transparency continues to gain momentum, these results demonstrate that providers should be aware that these tools will do more than just encourage patients to shop. Price transparency can also impact payer negotiations and price competition between providers, which will lead to a reduction in overall prices even if patient consumerism fails to materialize. [Read more here.](#)

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