The Vascular Care Group

United Specialists for Patient Access

Office-Based Specialist Reimbursement

Agenda

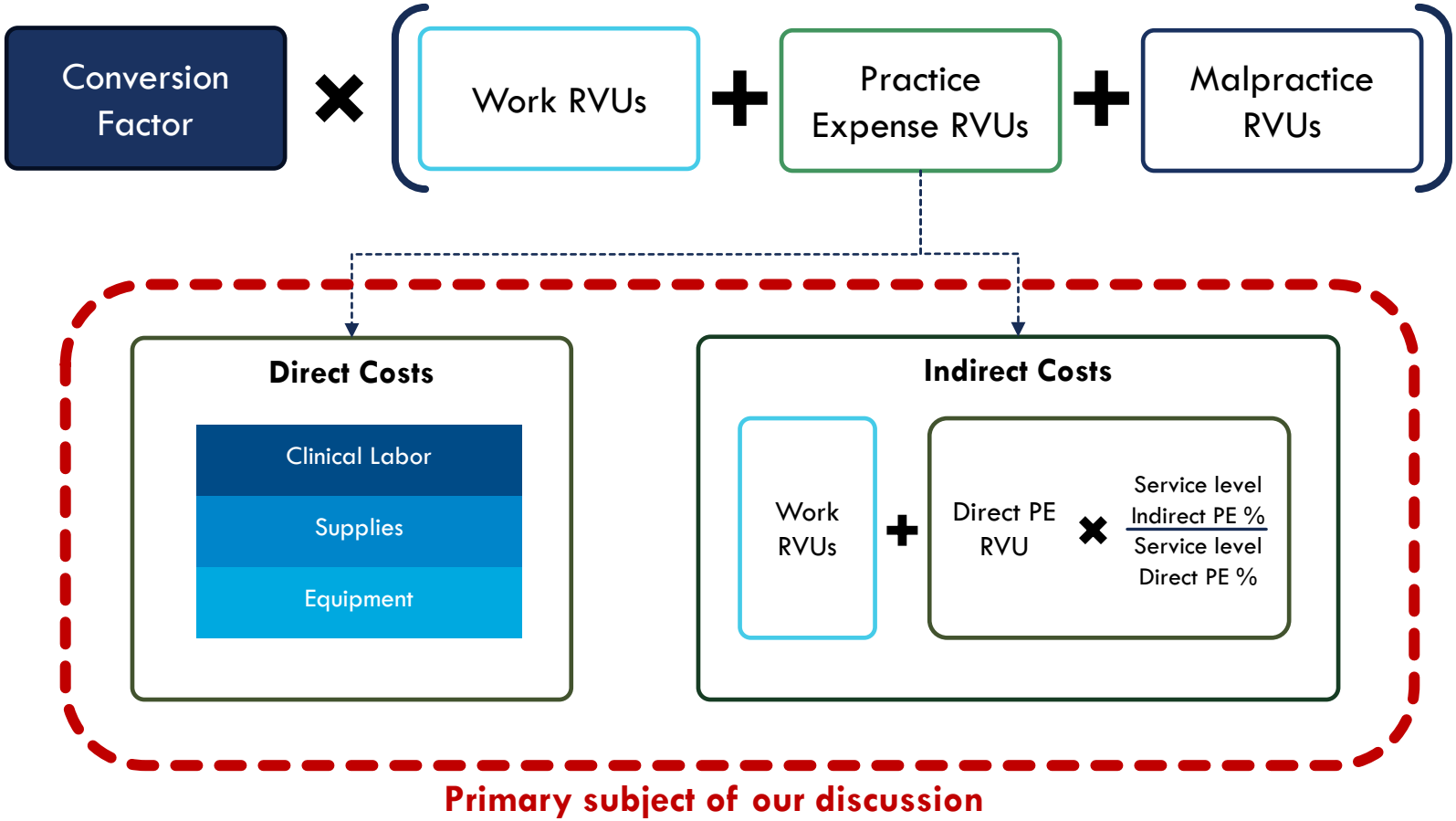
The purpose of our meeting is to tackle three key areas:

1) **Review of Payment Errors for High-Tech, Office-Based Procedures:** Analyzing inaccuracies in the Physician Fee Schedule and the impacts of a blanketed approach to peRVU calculations.
2) **Addressing Payment Inequities Across Sites:** Discussing ongoing payment injustices for these procedures, relative to where they are performed.
3) **Proposing Solutions:** Offering suggestions to resolve these payment issues and asking for support.

Our goal is to identify, discuss, and propose actions to improve payment accuracy and equity.

Physician Fee Schedule Payment Structure

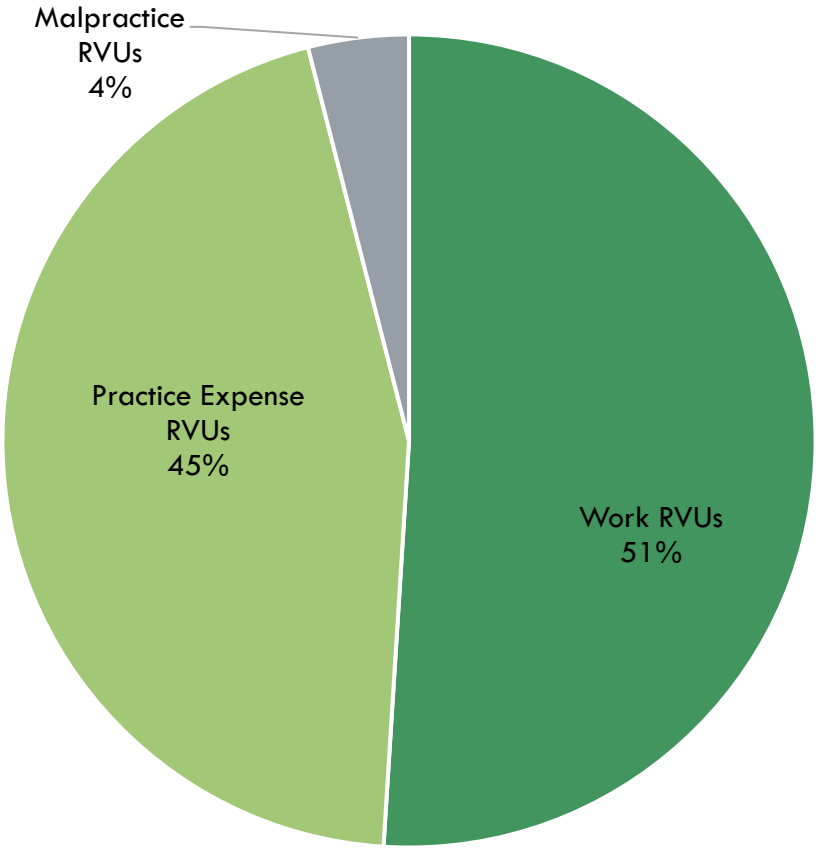
The Physician Fee Schedule includes work, practice expense, and malpractice reimbursement. In office settings, this includes all direct and indirect costs.



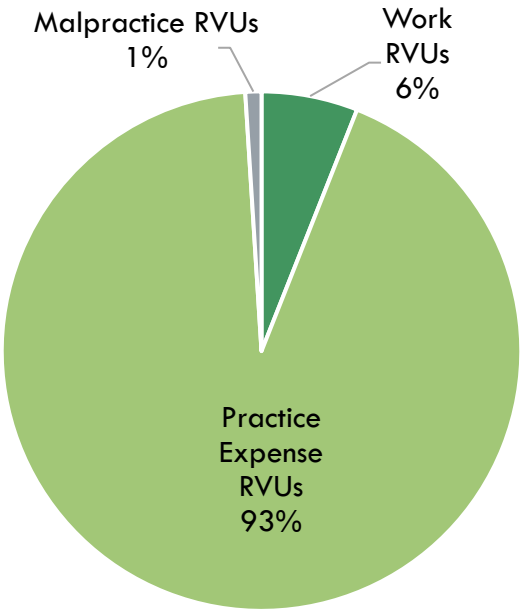
RVU Variances within the Physician Fee Schedule

The Physician Fee Schedule comprises of roughly 51% peRVUs whereas peRVUs for high-tech, office-based codes make up 93% of the total valuation of those procedures. As outliers on the non-facility PFS, shifts in the valuation of peRVUs are exacerbated

Physician Fee Schedule
All Codes

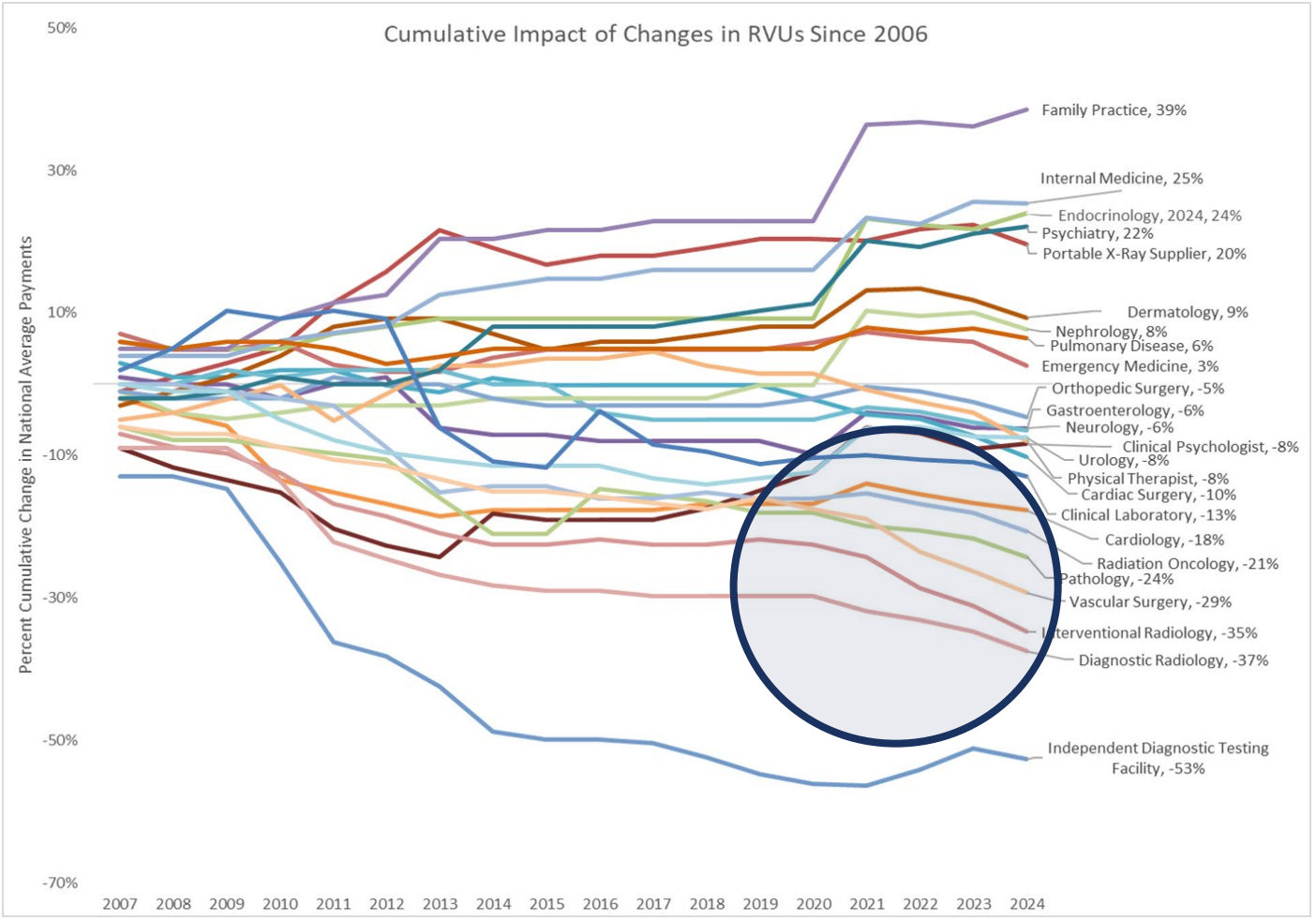


Physician Fee Schedule
High-tech, office-based codes



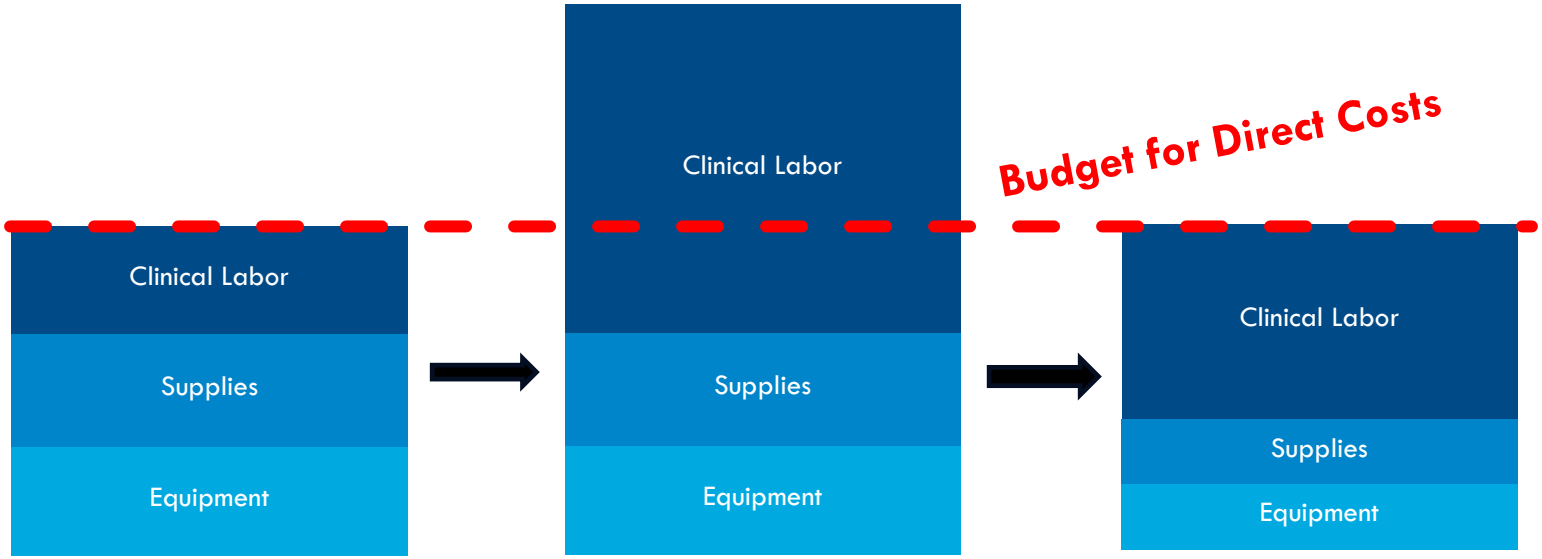
The Impacts of Budget Neutrality

PFS statutory budget neutrality offsets payment increases for certain specialties by decreasing reimbursement for surgical procedures. Exacerbating this divergence is the disproportionate impact of high-cost supplies and equipment needed for surgical procedures.



Case Study: 2022 PFS Clinical Labor Repricing

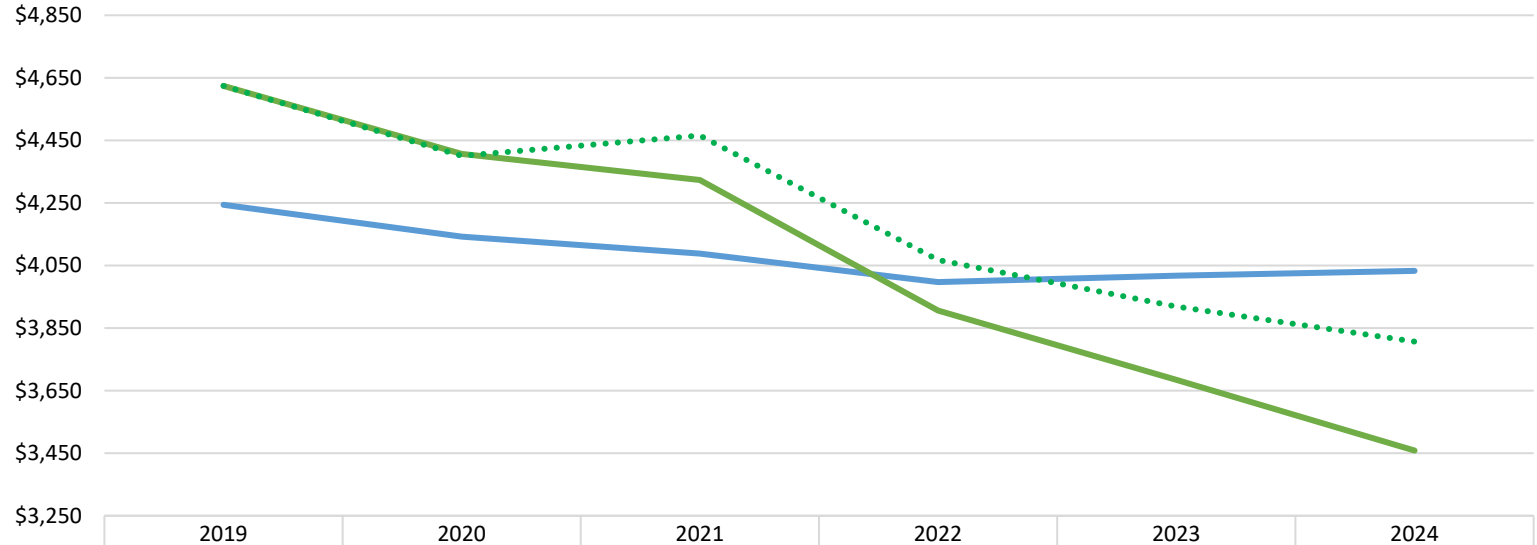
- CMS policy to update clinical labor data resulted in all **three components** (Clinical Labor, Supplies and Equipment) being **shrunk** to fit within the "budget neutrality box."
- Surgical procedures in the office experienced significantly disproportionate cuts due to size of supply costs in their PE RVU.
- CMS is phasing in the clinical labor cuts through 2025.



Reimbursement for TVCG Office Based Vascular Procedures YOY

As vascular surgeons, reimbursement for our most common procedural codes have continued to decrease at rates that are unsustainable, even according to CMS's own calculated costs.

Dialysis Access, Endovascular Revascularization, and Vena Cava Filter Reimbursement

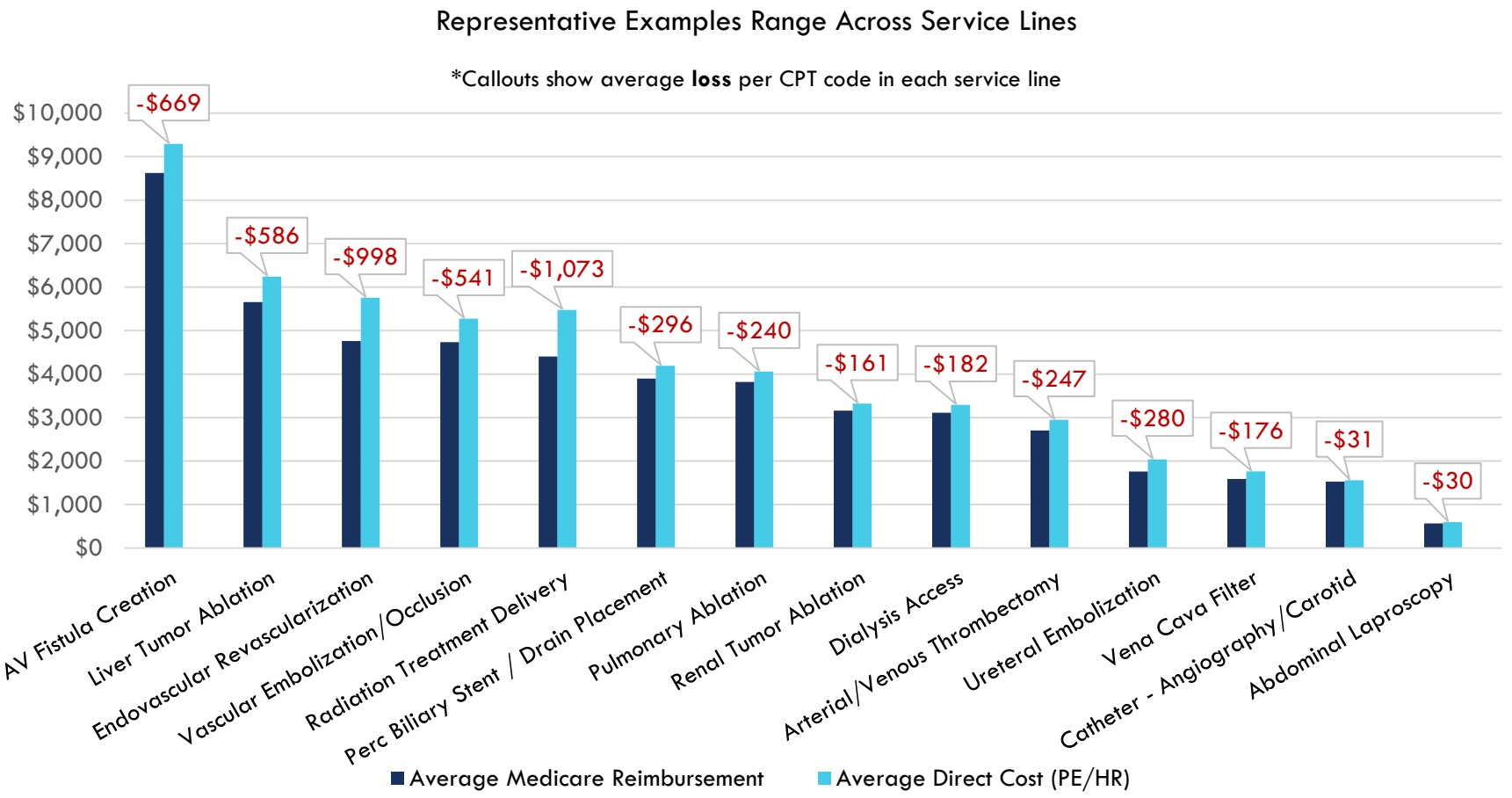


	2019	2020	2021	2022	2023	2024
wRVU	7.5	7.5	7.5	7.5	7.5	7.5
peRVU	119.3	113.1	114.9	103.9	99.8	96.6
mpRVU	1.4	1.4	1.4	1.5	1.4	1.5
Total Direct Costs	$4,244	$4,142	$4,088	$3,997	$4,018	$4,032
Total Reimbursement	$4,624	$4,407	$4,323	$3,906	$3,684	$3,458
Total Variance	$380	$264	$235	($91)	($333)	($574)
Direct Scaling Adjustment	0.5869	0.5715	0.5916	0.5094	0.5010	0.4637

1. Data is based on 2024 Physician Fee Schedule Final Rule Total Non-Facility Reimbursement and Total Direct Costs (CY 2024 PFS Final Rule PEHR).

High-Tech, Office-Based CPT codes

In 2024, there are 195 CPT codes for which total reimbursement is less than the sum of their direct costs. In other words, payment is insufficient for these codes before even considering the added costs associated with indirect costs, malpractice insurance, and provider work.



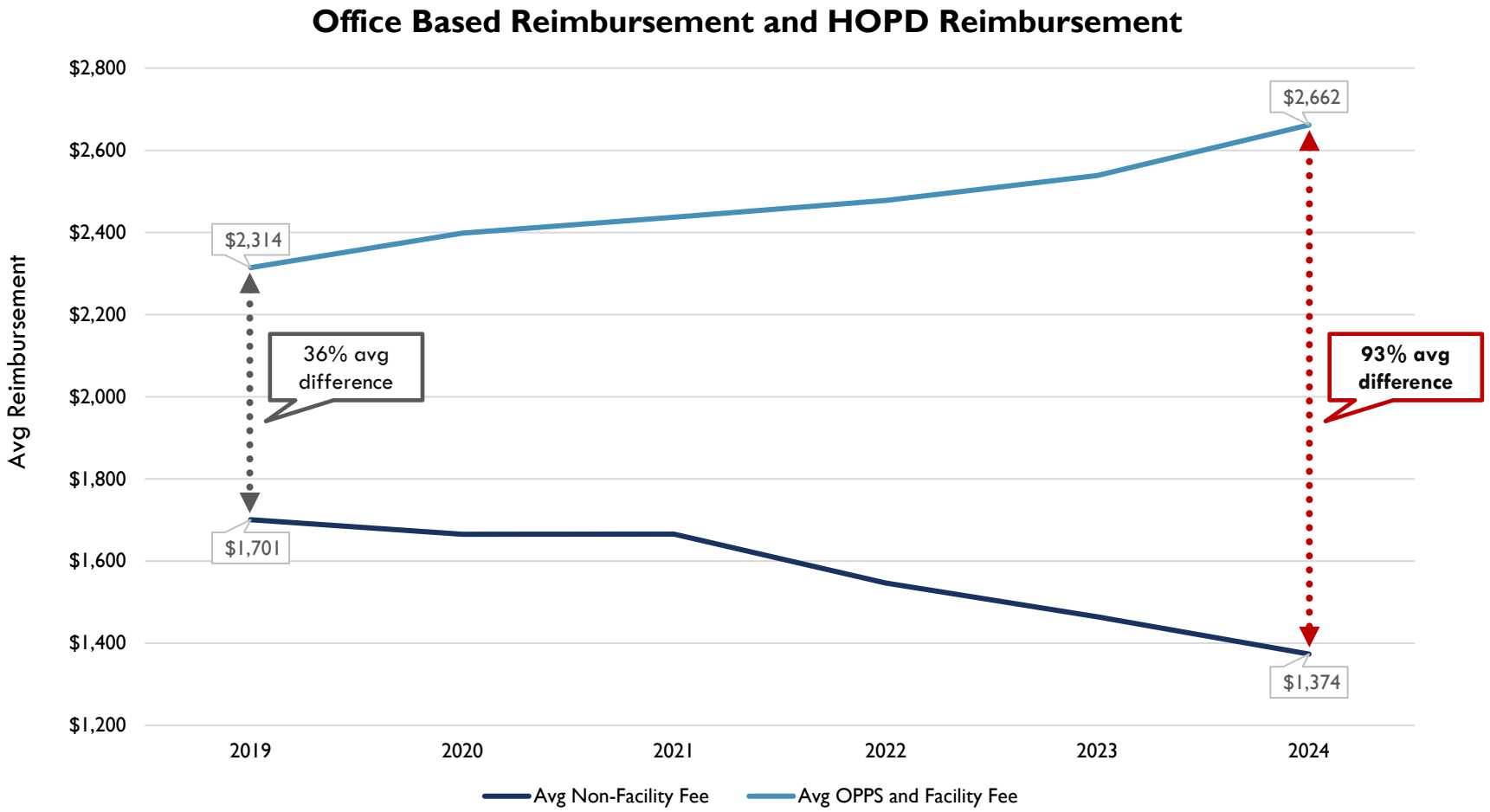
1. Data is based on 2024 Physician Fee Schedule Final Rule Total Non-Facility Reimbursement and Total Direct Costs.
2. Radiation Treatment Delivery data assumes 25 fractions for typical prostate cancer patient. https://www.ncbi.nlm.nih.gov/pmc/articles/PMC9441303/ .

195 CPT Codes where Total Reimbursement < Direct Costs

19288	Perq dev breast add mr guide
20983	Ablate bone tumor(s) perq
21127	Augmentation lower jaw bone
21215	Lower jaw bone graft
27278	Arthrd si jt prq wo tfxj dev
31627	Navigational bronchoscopy
31634	Bronch w/balloon occlusion
32994	Ablate pulm tumor perq crybl
32998	Ablate pulm tumor perq rf
33285	Insj subq car rhythm mntr
36010	Place catheter in vein
36014	Place catheter in artery
36140	Intro ndl icath upr/lxtr art
36200	Place catheter in aorta
36221	Place cath thoracic aorta
36245	Ins cath abd/l-ext art 1st
36247	Ins cath abd/l-ext art 3rd
36251	Ins cath ren art 1st unilat
36253	Ins cath ren art 2nd+ unilat
36254	Ins cath ren art 2nd+ bilat
36465	Njx noncmpnd sclrsnt 1 vein
36466	Njx noncmpnd sclrsnt mlt vn
36473	Endovenous mchnchem 1st vein
36482	Endoven ther chem adhes 1st
36572	Insj picc rs&i <5 yr
36836	Prq av fstl crtj uxtr 1 acs
36837	Prq av fstl crt uxtr sep acs
36903	Intro cath dialysis circuit
36906	Thrmbc/nfs dialysis circuit
36908	Stent plmt ctr dialysis seg
36909	Dialysis circuit embolj
37183	Revision tips
37186	Sec art thrombectomy add-on
37188	Ven mechnl thrmbc repeat tx
37191	Ins endovas vena cava filtr
37192	Redo endovas vena cava filtr
37197	Remove intrvas foreign body
37220	Iliac revasc
37221	Iliac revasc w/stent
37223	Iliac revasc w/stent add-on
37224	Fem/popl revas w/tla
37225	Fem/popl revas w/ather
37226	Fem/popl revasc w/stent
37227	Fem/popl revasc stnt & ather
37228	Tib/per revasc w/tla
37229	Tib/per revasc w/ather
37230	Tib/per revasc w/stent
37231	Tib/per revasc stent & ather
37232	Tib/per revasc add-on
37234	Revsc opn/prq tib/pero stent
37235	Tib/per revasc stnt & ather
37236	Open/perq place stent 1st
37237	Open/perq place stent ea add
37238	Open/perq place stent same
37239	Open/perq place stent ea add
37241	Vasc embolize/occlude venous
37242	Vasc embolize/occlude artery
37243	Vasc embolize/occlude organ
37244	Vasc embolize/occlude bleed
37246	Trluml balo angiop 1st art
37252	Intrvasc us noncoronary 1st
40806	Incision of lip fold
47383	Perq ablti lvr cryoablation
47531	Injection for cholangiogram
47538	Perq plmt bile duct stent
47539	Perq plmt bile duct stent
47540	Perq plmt bile duct stent
49185	Sclerotx fluid collection
49423	Exchange drainage catheter
49450	Replace g/c tube perc
49451	Replace duod/jej tube perc
50387	Change nephroureteral cath
50389	Remove renal tube w/fluoro
50435	Exchange nephrostomy cath
50592	Perc rf ablate renal tumor
50593	Perc cryo ablate renal tum
50705	Ureteral embolization/occl
52284	Cysto rx balo cath urtl strx
52442	Cystourethro w/addl implant
53860	Transurethral rf treatment
55874	Tprnl plmt biodegrdabl matrl
58558	Hysteroscopy biopsy
58563	Hysteroscopy ablation
77078	Ct bone density axial
77290	Set radiation therapy field
77372	Srs linear based
77373	Sbrt delivery
77610	Hyperthermia treatment
77615	Hyperthermia treatment
78013	Thyroid imaging w/blood flow
78016	Thyroid met imaging/studies
78075	Adrenal cortex & medulla img
78103	Bone marrow imaging mult
78110	Plasma volume single
78111	Plasma volume multiple
78120	Red cell mass single
78121	Red cell mass multiple
78130	Red cell survival study
78140	Red cell sequestration
78185	Spleen imaging
78191	Platelet survival
78227	Hepatobil syst image w/drug
78231	Serial salivary imaging
78232	Salivary gland function exam
78261	Gastric mucosa imaging
78266	Gastric emptying imag study
78290	Meckels divert exam
78452	Ht muscle image spect mult
78456	Acute venous thrombus image
78457	Venous thrombosis imaging
78606	Brain image w/flow 4 + views
78645	Csf shunt evaluation
78650	Csf leakage imaging
78660	Nuclear exam of tear flow
78803	Rp loclzj tum spect 1 area
78804	Rp loclzj tum whbdy 2+d img
78808	Iv inj ra drug dx study
78830	Rp loclzj turn spect w/ct 1
78832	Rp loclzj turn spect w/ct 2
86486	Skin test unlisted antign ea
88120	Cytp urne 3-5 probes ea spec
88121	Cytp urine 3-5 probes cmptr
88184	Flowcytometry/ tc 1 marker
88185	Flowcytometry/tc add-on
88314	Histochemical stains add-on
88361	Tumor immunohistochem/comput
88367	Insitu hybridization auto
88373	M/phmtrc alys ishquant/semiq
88374	M/phmtrc alys ishquant/semiq
88377	M/phmtrc alys ishquant/semiq
88381	Microdissection manual
89230	Collect sweat for test
91065	Breath hydrogen/methane test
92977	Dissolve clot heart vessel
93017	Cardiovascular stress test
93225	Ecg monit/reprt up to 48 hrs
93226	Ecg monit/reprt up to 48 hrs
93229	Remote 30 day ecg tech supp
93241	Ext ecg>48hr<7d rec scan a/r
93242	Ext ecg>48hr<7d recording
93243	Ext ecg>48hr<7d scan a/r
93245	Ext ecg>7d<15d rec scan a/r
93246	Ext ecg>7d<15d recording
93247	Ext ecg>7d<15d scan a/r
93268	Ecg record/review
93270	Remote 30 day ecg rev/report
93271	Ecg/monitoring and analysis
93296	Rem interrog evl pm/ids
93325	Doppler color flow add-on
93451	Right heart cath
93668	Peripheral vascular rehab
93701	Bioimpedance cv analysis
93786	Ambl BP monitor
93792	Pt/caregiver traing home inr
93924	Lwr xtr vasc stdy bilat
93925	Lower extremity study
93926	Lower extremity study
93931	Upper extremity study
93985	Dup-scan hemo compl bi std
93986	Dup-scan hemo compl uni std
93990	Doppler flow testing
94760	Measure blood oxygen level
94761	Measure blood oxygen level
94762	Measure blood oxygen level
95012	Exhaled nitric oxide meas
95070	Bronchial allergy tests
95145	Antigen therapy services
95146	Antigen therapy services
95147	Antigen therapy services
95148	Antigen therapy services
95149	Antigen therapy services
95807	Sleep study attended
98975	Rem ther mntr 1st setup&edu
98977	Rem ther mntr dv sply mscskl
99454	Rem mntr physiol param dev
G0106	Colon ca screen;barium enema
G0120	Colon ca scrn; barium enema
G0166	Extrnl counterpulse, per tx
G0288	Recon, cta for surg plan
G0341	Percutaneous islet celltrans
G2083	Visit esketamine, > 56m
G6003	Radiation treatment delivery
G6004	Radiation treatment delivery
G6005	Radiation treatment delivery
G6006	Radiation treatment delivery
G6008	Radiation treatment delivery
G6009	Radiation treatment delivery
G6010	Radiation treatment delivery
G6011	Radiation treatment delivery
G6012	Radiation treatment delivery
G6013	Radiation treatment delivery
G6014	Radiation treatment delivery
G6015	Radiation tx delivery imrt
G6016	Delivery comp imrt
Q0092	Set up port xray equipment

Average Office and HOPD Reimbursement of 195 Underpaid Codes*

As reimbursements for high-tech procedures decrease in the office setting, the same services provided in the hospital show significant increases. This further drives hospital consolidation and reduces the number of specialists in lower cost settings.



1. Reimbursement is calculated as the average PFS non facility fee compared to the average PFS facility fee plus the average HOPD OPPS fee
2. Graph shows 178 of the 195 codes where total reimbursement is less than direct costs. 17 CPT codes were excluded as they were added to the fee scheduler after 2019.

Hospital Consolidation and Site of Service Migration

Cuts to Office-Based Specialists are Causing Consolidation

MedPAC: "[W]e find that **federal policies** do **create incentives for physician–hospital integration.**"

MedPAC: "We are very concerned with site-neutral sort of incentive issues, consolidation issues around paying differently across the sectors […] **this sort of cross-sector harmonization, or lack thereof, has been a big concern.**"

MedPAC: "Researchers have documented **increasing levels of hospital–physician integration** over a long period of time.

A survey cited in the MedPAC report found, between 2012 and 2018, percent of **hospital-employed physicians increased > 70% and percent of hospital-owned practices increased > 120%**[1]

Consolidation / Site-of-Service Migration is Causing Higher Prices

MedPAC: "The literature suggests that **the net results of increases in hospital–physician integration have been higher physician prices,** higher spending for commercial payers, and higher spending for Medicare."

MedPAC: **"[G]rowth in hospital–physician integration leads to higher total spending** because prices increase without countervailing efficiencies."

MedPAC: "We found that commercial PPO **payment rates were 136 percent of fee-for-service Medicare rates in 2022,** up from 134 percent in 2021. The increasing difference between Medicare and private payer rates is part of a longer-term trend. **For example, in 2011, private insurance rates were only 122 percent of Medicare rates.**"

MedPAC: "As studies by academic researchers and the Commission have shown, growth in private insurance rates is partially due to **increases in the consolidation of physician practices and hospitals acquisitions of practices.**

[1] Physicians Advocacy Institute, *Updated Physician Practice Acquisition Study: National and Regional Changes in Physician Employment 2012-2018*, February 2019
MedPAC quotes taken from MedPAC March 2020 Report and MedPAC December 2023 Public Meeting

Requests to Address Payment Inequities of High-Tech, Office-Based Services

Immediate Needs:

- CMS does not implement fourth year of clinical labor policy update. Doing so only exacerbates the issues outlined in this presentation and increases consolidation/office closures.
- MEI rebasing implemented immediately.
- Payment for peRVUs shifted to, at a minimum, cover 100% of direct costs.

Future Planning:

- Support our proposal to remove high-cost supplies and equipment from the PFS entirely (like part B drugs in 2010).
- MedPAC – reconsider stance to reduce payment in OPPS/ASC/Office settings to the lowest rate based on certain volume metrics. This approach is opposed by the AHA and ASCA and would not help office-based specialty centers.

Proposal: Office-Based Facility Fee Schedule for High-Cost Services

Overview

- Payment would be established using an ASC-like payment methodology.
- The Secretary would define specific covered procedures in this new "Office-Based Facility" site of service to include surgical procedures with high-cost supply items greater than $500 (or roughly 15 PERVUs), consistent with AMA recommendation.
- Payment would be 90% of ASC payments.
  - Discount factor of 10% off ASC rates recognizes average overhead cost would be somewhat less in the office-based setting than in the ASC setting.
  - Payment would account for device intensive procedures as per current OPPS/ASC methodology.

Benefits of Office-Based Facility Fee Schedule for High-Cost Services

No added costs

- Funding would be shared equally by the PFS and the OPPS.
- Total PFS and OPPS spending would be reduced by < 1% respectively (Roughly $865M from the PFS and OPPS, respectively).

Promotes Broader PFS Reform

- Specialties would benefit from funds being freed up in the PFS to support broader PFS reform.
- The money currently being spent out of the PFS to pay for high-cost disposable items would be redistributed within the PFS to allow for a ~0.5% conversion factor update.

A Better Approach to Site-Neutrality and Consolidation

- This policy would provide the reimbursement adequacy and stability for an office-based facility to be the lowest-cost setting for clinically appropriate, specialty services.
- Meaningfully addresses consolidation concerns.

Precedent of Removing Asymmetric Part B Drugs from PFS

2010 Physician Fee Schedule removed asymmetric Part B drugs from "sustainable growth rate" calculation due to concerns with impact on relativity.

- "Given the significant and disproportionate impact that the inclusion of drugs has had on the SGR system, we believe it would be appropriate to revise the definition of physicians' services for purposes of the SGR." [2010 PFS Proposed Rule]
- "We are … finalizing our proposal to remove drugs from the calculation of the SGR beginning with 2010."
- "[I]t is clear that our proposal to remove drugs from allowed expenditures, actual expenditures, and the SGR will make a positive PFS update far more likely." [2010 PFS Final Rule]