Economic Outlook For Urology 2020: An Overview of Proposed Rulemaking

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Disclosures

- No conflicts to report

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Regulatory/Legislative Activity

2019 Has Been A Busy Year

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Current Activity

- Regulatory
  - Fee Schedule Proposed Rules
    - Medicare Physician Fee Schedule (MPFS)
    - Outpatient Prospective Payment System (OPPS)
  - Radiation Oncology Demonstration Project
  - Stark Reform
- Legislative
  - Medicare Part B/D Drug

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Regulatory Activity

There's a lot going on

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AUA Evaluation of MPFS

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At A Glance: Proposed 2020 Rules for Medicare Fee Schedule, QPP and OPPS

On July 29, the Centers for Medicare & Medicaid Services (CMS) released the proposed rules for the 2020 Medicare Physician Fee Schedule (which includes updates to the Quality Payment Program, Open Payments program and other Medicare Part B policies) and the Outpatient Prospective Payment System (OPPS)/Ambulatory Surgery Center (ASC) Payment System. The AUA actively is reviewing both rules, but there are a few important proposed changes in the proposed fee schedule of which urologists should be aware. More detailed analysis of these changes – and more details on how the proposed rules will affect urology – is forthcoming.

2020 Proposed Conversion Factor

INCREASE OF $0.05

2019 Conversion Factor: $36.04

2020 Proposed Conversion Factor: $36.09

Increase in Allowable Charges for Urology

+8%

CMS estimates that the proposed Fee Schedule changes will result in an increase of 8 percent in allowable charges for urology (overall 4 percent increase in work RVUs and 4 percent increase in practice expense RVUs). Note: This increase is in overall charges; changes for individual codes may vary).

This is complete nonsense

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CPT Codes with Greatest Proposed Change

Office

Increase by %

CPT	Desc	Office Change	Office Change %
52000	Cystoscopy	$ 3,702,024.13	11.3%
76872	Us transrectal	$ 971,677.59	22.3%
52442	Cystourethro w/addl implant	$ 695,421.31	3.7%
52441	Cystourethro w/implant	$ 500,217.40	6.8%
52310	Cystoscopy and treatment	$ 279,753.81	7.7%
52005	Cystoscopy & ureter catheter	$ 239,109.20	3.7%
52281	Cystoscopy and treatment	$ 207,386.92	7.4%
50590	Fragmenting of kidney stone	$ 197,726.92	0.8%
51797	Intraabdominal pressure test	$ 190,181.20	16.4%
52224	Cystoscopy and treatment	$ 189,556.69	3.8%

Decrease by Total $

CPT	Desc	Office Change	Office Change %
52332	Cystoscopy/Insert Stent	$ (2,152,983.76)	-4.3%
64561	Implant neuroelectrodes	$ (116,541.73)	-12.3%
55700	Biopsy of prostate	$ (66,377.84)	-0.7%
99232	Subsequent hospital care	$ (63,318.17)	-0.5%
76000	Fluoroscopy <1 hr phys/qhp	$ (51,027.75)	-10.4%
99204	Office/outpatient visit new	$ (18,510.30)	-0.3%
55873	Cryoablate prostate	$ (17,077.02)	-0.8%
53852	Prostatic rf thermotx	$ (12,115.12)	-2.3%
51784	Anal/urinary muscle study	$ (8,107.55)	-1.4%
51741	Electro-uroflowmetry first	$ (5,695.91)	-2.3%

Facility

Increase by %

CPT	Desc	Facility Change	Facility Change %
99214	Office/outpatient visit est	$ 1,145,873.24	0.6%
99203	Office/outpatient visit new	$ 392,878.12	1.5%
99215	Office/outpatient visit est	$ 295,423.26	1.4%
99204	Office/outpatient visit new	$ 285,790.16	0.4%
99213	Office/outpatient visit est	$ 244,530.00	0.1%
52000	Cystoscopy	$ 79,531.10	0.1%
96402	Chemo hormon antineopl sq/im	$ 71,061.10	5.1%
51702	Insert temp bladder cath	$ 48,929.48	1.5%
76775	Us exam abdo back wall lim	$ 41,516.32	1.8%
51700	Irrigation of bladder	$ 38,879.02	1.3%

Decrease by Total $

CPT	Desc	Facility Change	Facility Change %
90911	Biofeedback training perineal	$ (271,917.48)	-100.0%
52442	Cystourethro w/addl implant	$ (134,248.83)	-15.3%
99490	Chron care mgmt srvc 20 min	$ (62,806.59)	-27.7%
52441	Cystourethro w/implant	$ (60,921.67)	-7.4%
55700	Biopsy of prostate	$ (42,914.12)	-0.4%
76857	Us exam pelvic limited	$ (33,653.78)	-1.7%
51705	Change of bladder tube	$ (29,107.29)	-1.2%
52281	Cystoscopy and treatment	$ (28,828.85)	-0.5%
74176	Ct abd & pelvis w/o contrast	$ (28,827.69)	-1.5%
51720	Treatment of bladder lesion	$ (21,828.27)	-0.6%

Overall change in office: 1.63%
Overall change in facility: 0.30%

Overall change urology: 0.79%

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OPPS

- Implements executive order "Improving Price and Quality Transparency in American Healthcare to Put Patients First,"
  - Requires price transparency in hospital charges
- Encourages site-neutral payment between Medicare sites of services.
  - E/M Codes
  - ASC vs Outpatient Facility
  - 340B
- Updates and policy changes under the Medicare Hospital Outpatient Prospective Payment System (OPPS) and Ambulatory Surgical Center (ASC) Payment System.
  - Relatively little impact on urology

RO Demonstration Project General Provisions

- All providers of RO (hospital and free standing) are subject to the model
- The payment is completely site neutral
- The payment bundle is indexed to a hybrid of hospital and free standing fees – as the tech fees are higher due to facility payments in the hospital this has upside potential for free standing sites
- All types of radiation treatments (external beam, brachytherapy, SBRT (aka Cyberknife), proton) are included
- Medicare Advantage and commercial insurance is not included in the proposal
- Base payment amounts for every provider subject to the model will be subject to upside adjustment if historical use technology was at a higher level
- Providers will continue to eligible for upside adjustments for MIPS

Stark Reform

- CMS published an RFI on June 25, 2018 soliciting comments regarding Stark Law reforms
- CMS Administrator Seema Verma during a March 4, 2019 speechstated that the updated regulations will be issued later this year, and "will represent the most significant changes to the Stark law since its inception."
- Verma stated that the updated regulations will include:
  - clarifying the regulatory definitions of volume or value, commercial reasonableness and fair market value;
  - addressing issues such as lack of signature, incorrect dates or other areas of technical noncompliance; and
  - updating the regulation to address a world in which there are cybersecurity and electronic health records requirements."

Legislative Activity

Not as much happening – but it's big!

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Medicare Part B/D Drug Payment Revision

- Currently being reviewed by Senate
  - Precipitated by administration threats to take unilateral action
- Major change in payment policy for Part B/Part D drugs
  - 31 individual provisions updating payment policy for Medicare and Medicaid
- Strong incentives to shift utilization to biosimilars
- Most significant impact on:
  - Medical oncology
  - Pharmacy benefit managers
  - Pharmaceutical industry
- Most significant physician provision is cap on add-on for Part B drugs at $1,000
  - Caps payments for all Part B drugs costing more than $16,667.67

SUMMARY

- There is tremendous work being done by the administration through CMS
- Core principles are:
  - Site neutrality
  - Price transparency
  - Encouraging development of value based care models
- Congressional dysfunction has led to healthcare legislative stalemate
  - Only exception is bipartisan agreement to reduce payment for Part B/D drug payments
- **Changes lay the groundwork for potentially seismic shifts in payments**

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QUESTIONS?

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