

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
Centers for Medicare & Medicaid Services



News Flash –

Re-released (new) product from the Medicare Learning Network® (MLN)

- [“Intensive Behavioral Therapy \(IBT\) for Obesity,”](#) Booklet, ICN 907800, Downloadable and Hard Copy.

MLN Matters® Number: MM8191 **Revised**

Related Change Request (CR) #: CR 8191

Related CR Release Date: February 6, 2013

Effective Date: January 1, 2013

Related CR Transmittal #: R2653CP

Implementation Date: January 25, 2013

## Summary of Policies in the Calendar Year (CY) 2013 Medicare Physician Fee Schedule (MPFS) Final Rule and the Telehealth Originating Site Facility Fee Payment Amount

**Note:** This article was revised on February 7, 2013, to reflect the revised CR8191 issued on February 6. The transmittal number, CR release date, Web address for the CR, and the implementation date were revised. All other information remains the same.

### Provider Types Affected

This MLN Matters® Article is intended for physicians and non-physician practitioners submitting claims to Medicare contractors (carriers, Fiscal Intermediaries (FIs), or A/B Medicare Administrative Contractors (A/B MACs)) for services to Medicare beneficiaries.

#### Disclaimer

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## What You Need To Know

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Change Request (CR) 8191, from which this article is taken, summarizes the policies in the Calendar-Year (CY) 2013 Medicare Physician Fee Schedule (MPFS) Final Rule and announces the Telehealth Originating Site Facility Fee payment amount. Section 1848(b)(1) of the Social Security Act (the Act) requires the Secretary to establish by regulation before November 1 of each year, fee schedules that establish payment amounts for physicians' services for the subsequent year. You should make sure that your staffs are aware of these changes.

## Background

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The Centers for Medicare & Medicaid Services (CMS) issued a Final Rule with comment period on November 1, 2012, that updates payment policies and Medicare payment rates for services furnished by physicians and Non-Physician Practitioners (NPPs) who are paid under the MPFS in CY 2013.

The Final Rule addresses:

- Medicare public comments on payment policies that were originally displayed on July 6, 2012, and published in the Federal Register on July 30, 2012: "Medicare Program; Revisions to Payment Policies Under the Physician Fee Schedule and Other Revisions to Part B for CY 2013;" and
- Interim final values established in the CY 2013 MPFS final rule with comment period (originally displayed on November 1, 2012, and published in the Federal Register on November 16, 2012). It assigns interim final values for new and revised codes for CY 2013; and requests comments on these values, which it will accept until December 31, 2012.

Since publication of the final rule, Congress has averted the statutorily required reduction in Medicare's physician fee schedule through the American Taxpayer Relief Act of 2012. A separate CR addresses revisions required by that legislation.

### *Summary of Policies in the CY 2013 MPFS*

#### 1. **Payment increases to Primary Care Physicians in 2013**

The 2013 MPFS includes a new policy to pay a physician or non-physician practitioner to coordinate a patient's care in the 30 days following a hospital or Skilled Nursing Facility (SNF) stay. CMS believes that recognizing the work of community physicians and practitioners in treating a patient following discharge from a hospital or nursing facility will ensure better continuity of care for these patients, and help reduce patient readmissions.

#### 2. **The rule's changes in care coordination payment and other changes are expected to increase payment to family practitioners by seven percent and other primary care practitioners between three and five percent. Implementation of the Physician Value-Based Payment Modifier**

The 2013 MPFS continues the careful implementation of the physician value-based payment modifier by phasing in application of the modifier and enabling physicians in larger groups to choose how to participate. The value modifier provides differential Medicare payments to physicians based on a comparison of the quality and cost of care furnished to beneficiaries.

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The statute allows CMS to phase in the value modifier over three years, from 2015 to 2017. For 2015, the Final Rule applies the value modifier to groups of physicians with 100 or more eligible professionals, a change from the proposed rule, which would have set the group size at 25 or above. This change was adopted to gain experience with the methodology and approach before expanding to smaller groups.

The final rule also provides an option for these groups of physicians to choose how the value modifier is calculated based on whether they participate in the Physician Quality Reporting System (PQRS). For physicians and groups of physicians who elect to participate in 2015, common sense incentives will improve the care that beneficiaries receive; physicians with higher quality and lower costs will be paid more, and those with lower quality and higher costs will be paid less. The performance period for the application of the value modifier in CY 2015 was previously established as CY 2013 in the CY 2012 MPFS final rule, which you can find at <http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/PhysicianFeeSched/index.html> on the CMS website.

### **3. Aligning Quality Reporting Across Programs**

The 2013 MPFS continues CMS' efforts to align quality reporting across programs in order to reduce burden and complexity. It makes changes to the PQRS and the Electronic Prescribing (eRx) Incentive Program (the two quality reporting programs applicable to the MPFS) and updates the Medicare Electronic Health Records (EHR) Incentive Pilot Program.

These changes will simplify reporting and align the various programs' quality reporting approaches so they support the National Quality Strategy.

### **4. Enhancing the Physician Compare Website**

The 2013 MPFS lays out the next steps to enhance the Physician Compare website, including posting names of practitioners who (as part of the Million Hearts campaign) successfully report measures to prevent heart disease. Please note that these are recommended measures under PQRS as well.

### **5. Expanding Access to Services that Non-Physicians Practitioners Can Provide**

The 2013 MPFS expands access to services that can be provided by non-physician practitioners. It allows Medicare to pay: 1) Certified Registered Nurse Anesthetists (CRNAs) for providing all services that they are permitted to furnish under state law (i.e. to the full extent of their state scope of practice); and 2) For portable x-rays ordered by Nurse Practitioners (NPs), Physician Assistants (PAs) and other Non-Physician Practitioners.

### **6. Payment for Molecular Pathology Services**

The 2013 MPFS explains how Medicare will pay for molecular pathology services—the next innovation of clinical laboratory tests that will foster the development of personalized medicine. These tests will be paid under the Clinical Laboratory Fee Schedule (CLFS), with the 2013 payment set by the gap filling method.

### **7. Face-to-Face Encounter as a Condition of Payment for Certain Items**

The 2013 MPFS requires a face-to-face encounter as a condition of payment for certain Durable Medical Equipment (DME) items for orders written on, or after, July 1, 2013.

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## 8. Implementation of a Claims-based Data Collection Strategy

Section 3005(g) of the Middle Class Tax Relief and Job Creation Act of 2012 (MCTRJCA) requires CMS to implement a claims-based data collection strategy on January 1, 2013; to gather information on: 1) Beneficiary function and condition, 2) Therapy services furnished, and 3) Outcomes achieved. CMS will use this information to assist in reforming the Medicare payment system for outpatient therapy services.

Details about this data collection can be found in CRs 8005. You can find the associated MLN Matters® articles, MM8005, "Implementing the Claims-Based Data Collection Requirement for Outpatient Therapy Services — Section 3005(g) of the Middle Class Tax Relief and Jobs Creation Act (MCTRJCA) of 2012," at <http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/Downloads/MM8005.pdf> on the CMS website.

9. **Multiple Procedure Payment Reduction (MPPR)** - Also for CY 2013, a Multiple Procedure Payment Reduction (MPPR) will apply a 25 percent reduction to the Technical Component (TC) of the second and subsequent diagnostic cardiovascular service, and a 20 percent reduction to the TC of the second and subsequent diagnostic ophthalmology service; furnished by the same physician (or physicians in the same group practice) to the same beneficiary, on the same day. CR7848 discusses this 2013 MPPR in full detail, and you can find the associated MLN Matters® article: MM7848, "Multiple Procedure Payment Reduction (MPPR) on the Technical Component (TC) of Diagnostic Cardiovascular and Ophthalmology Procedures," at <http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/Downloads/MM7848.pdf> on the CMS website.

## 10. Telehealth Originating Site Facility Fee Payment Amount Update

Section 1834(m)(2)(B) of the Act establishes the payment amount for the Medicare telehealth originating site facility fee for telehealth services provided from October 1, 2001, through December 31 2002, at \$20. For telehealth services provided on or after January 1 of each subsequent CY, the telehealth originating site facility fee is increased by the percentage increase in the Medicare Economic Index (MEI) as defined in Section 1842(i)(3) of the Act.

The MEI increase for 2013 is 0.8 percent. Therefore, for CY 2013, the payment amount for HCPCS code Q3014 (Telehealth originating site facility fee) is 80 percent of the lesser, of the actual charge, or \$24.43 as described by Healthcare Common Procedure Coding System (HCPCS) code Q3014. (The beneficiary is responsible for any unmet deductible amount and Medicare coinsurance).

More information on CY 2013 changes in telehealth can be found in CR7900. You can review the associated MLN Matters® article: MM7900, "Expansion of Medicare Telehealth Services for Calendar Year (CY) 2013," at <http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/Downloads/MM7900.pdf> on the CMS website.

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## Additional Information

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For more information and access to the CY 2013 Final Rule, go to the "Physician Fee Schedule" available at <http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/PhysicianFeeSched/index.html> on the CMS website.

The official instruction, CR8191, issued to your FI, carrier, or A/B MAC regarding this change may be viewed <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/Downloads/R2653CP.pdf> on the CMS website

If you have any questions, please contact your FI, carrier, or A/B MAC at their toll-free number, which may be found at <http://www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/provider-compliance-interactive-map/index.html> on the CMS website.

**News Flash - Flu Season is Here** - Flu season is here but it is not too late to protect your patients against the flu. The [Centers for Disease Control and Prevention](#) (CDC) recommends that everyone 6 months of age and older get a yearly flu vaccine. As the occurrence of the flu continues to be reported around the country, remember, every office visit is an opportunity to check your patients' vaccination status and encourage a yearly flu vaccine for those that have not yet taken action to protect themselves and their loved ones from the flu. Vaccination is especially important for those at high risk for flu-related complications (please refer to the [People at High Risk](#) web page). Additionally, research shows that a strong provider recommendation for yearly flu vaccination increases a patient's willingness to get vaccinated themselves.

Getting vaccinated is just as important for health care personnel, like you, for many reasons. You can get sick with the flu and spread it to your family, colleagues and patients without knowing or having symptoms. Be an example by getting your flu vaccine and know that you're helping to reduce the spread of flu in your community.

Note: The influenza and pneumococcal vaccines and their administration fees are covered Part B benefits. Influenza and pneumococcal vaccines are NOT Part D-covered drugs.

*For More Information:*

- CMS has posted the 2012-2013 [Seasonal Influenza Vaccines Pricing](#) list. You may also refer to the [MLN Matters® Article MM8047](#), "Influenza Vaccine Payment Allowances - Annual Update for 2012-2013 Season."
- Please visit the [CMS Medicare Learning Network® Preventive Services Educational Products](#) and [CMS Immunizations](#) web pages for more information on coverage and billing of the flu and pneumococcal vaccines and their administration fees.
- While some providers may offer the flu vaccine, those who don't can help their patients locate a vaccine provider within their local community. The [HealthMap Vaccine Finder](#) is a free, online service where users can find nearby locations offering flu vaccines.
- The [CDC](#) website offers a variety of provider resources for the 2012-2013 flu season.

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