

2008 Physician Fee Schedule Update
Whitney May

Practicing Physicians Advisory Council
December 3, 2007

2008 Final Rule

- On display at Federal Register on Nov. 1, 2007
- Published in Federal Register November 27, 2007
- Thousands of comments received

Major Issues in Rule

- Completion of 5 year review of work
 - Finalize anesthesia changes
 - Refinement panel for home/domiciliary codes (codes increase) and audiology (no increase)
 - Work adjustor updated to reflect increases (approx. 12%)
- New practice expense methodology – 2nd year of 4 year transition
 - Discussion of utilization rate and interest rate assumptions.

Major Issues in Rule

- Finalize updated GPCIs
- Did not finalize California locality proposals
 - Will continue to study locality alternatives on a nationwide basis
- Added neurobehavioral status exam to the list of Medicare telehealth services.
- Added CORF policies to regulations.

Major Issues in Rule

- Therapy Cap exceptions process set to expire December 31, 2007.
 - 2008 therapy cap rate = \$1810 for physical therapy and speech language pathology, \$1810 for occupational therapy.
- Therapy certification of plan of care - physician now will be allowed to certify for time he or she determines appropriate but not to exceed 90 days
- Apply consistent therapy standards across all settings.
- Updated personnel requirements for therapists.

Major Issues in Rule

- Physician Assistance & Quality Initiative Fund
 - provides 1.35 Billion dollars in 2008.
 - CMS will use this fund to continue the PQRI bonus payments.
- Discussion of malpractice RVUs for TC services.
- Continuation of G code for IVIG pre-administration services.
- Creation of G codes for Alcohol and Substance Abuse Assessment and Intervention Services.

Other Part B policy issues in Final Rule

- ASP Issues
 - Did not finalize proposal on treatment of bundled price concessions for calculation of ASP. Manufacturers continue to make reasonable assumptions.
 - Maintain 5% WAMP & AMP thresholds
- Competitive Acquisition Program (CAP) refinements.
- Clinical lab fee schedule – adds reconsideration process for new lab codes.
- ESRD – wage index and drug add on to composite rate updated.

Key Website

<http://www.cms.hhs.gov/PhysicianFeeSched/>

Contact Information

Whitney May
Deputy Director
Division of Practitioner Services
(410-786-0490)
Whitney.May@cms.hhs.gov