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MEMORANDUM

To: American Society of Transplant Surgeons  
From: Rebecca Burke and Diane Millman  
Date: November 7, 2012  
Re: Summary of 2013 Final Medicare Physician Fee Schedule

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CMS released the 2013 interim final Medicare physician fee schedule on November 1, 2012. The entire document can be viewed <http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/PhysicianFeeSched/PFS-Federal-Regulation-Notices-Items/CMS-1590-FC.html>

Below are provisions in the final rule which may be of interest to ASTS members.

**SGR update:** As expected, there is a negative update of 26.5% based on the flawed SGR formula. As in past years, we expect Congress will act to avert the payment reduction. We note that there is also a potential two percent cut to Medicare providers as a result of the Middle Class Tax Relief Act of 2011 – the so-called “fiscal cliff.”

**RVUs for Transplant Services:** There are some minor adjustments, both up and down, to a number of the transplant codes but no significant changes. (See attached spreadsheet.)

**Seven Percent Increase for Primary Care:** CMS finalized its proposal to establish new transition care management codes to compensate primary care physicians for care coordination services. Beginning in 2013, physicians will be able to bill for non face-to-face time associated with care coordination during a 30-day period post-discharge from an inpatient care setting. CMS estimates that this will redistribute approximately \$.6 billion under the physician fee schedule and will increase payments to family practice practitioners by seven percent, internists and pediatricians by five percent, and geriatricians by four percent.

**Kidney Transplants on Potentially Misvalued Codes List:** CMS finalized its list of codes that will be reviewed in 2014 as potentially misvalued. This includes all Harvard valued codes with annual charges of

\$10 million or more including, as expected, the kidney transplant code (CPT Code 50360). ASTS is working with the RUC to ensure that this code is properly revalued.

**Impact of Final Rule Changes on Surgical Specialties:** Estimated impact on surgical specialties resulting from all of the changes in the final rule is set forth below.

Cardiac surgery	-1%
Colon and Rectal Surgery	+2%
General Surgery	0%
Hand Surgery	+1%
Neurosurgery	0%
Plastic Surgery	+1%
Thoracic Surgery	-1%
Vascular Surgery	-2%

**Revaluation of Global Surgical Payments:** CMS announced its intent to proceed with gathering data on the number of evaluation and management services provided during the global surgical period. Building on OIG reviews of E & M services provided in connection with ophthalmic procedures and musculoskeletal surgical procedures, CMS believes that the number of E & M visits assigned to global surgical packages may be overstated resulting in excessive reimbursement. The agency is still considering the best way to gather data on E & M services provided under the global surgical service and will likely propose something on this for the 2014 fee schedule rule.

**Physician Quality Reporting System (PQRS):** *Physicians who do not participate in PQRS beginning in 2013 will be assessed a penalty of 1.5% in 2015.* Physicians who are currently successfully participating in the PQRS will receive a 0.5 percent bonus on all Medicare payments for 2013. This bonus will continue the next two years. CMS has finalized its proposal to allow physicians to avoid penalties in 2015 and 2016 if they report at least one measure or measure group during 2013 and 2014. The agency acknowledges that this is significantly less stringent than the reporting criteria that must be met to obtain the incentive payment but believes this is necessary to facilitate participation for physicians and groups that have not previously participated in PQRS.

**Value Based Payment Modifier:** CMS is required by law to begin implementation of the value-based payment modifier beginning in 2015 and to include all physicians by 2017. In the final rule, the agency announced that it would apply the modifier to physicians in group practices of 100 or more during 2015. Physicians in smaller groups will not be affected until 2017. *Transplant surgeons in large academic practice plans likely will be subject to the modifier in 2015.*

Physician groups that have satisfactorily participated in PQRS for the 2013 and 2014 incentives will not be subject to any payment reductions during 2015 and 2016 as a result of the value-based modifier; those that have not satisfactorily participated in PQRS for the 2013 and 2014 incentives will be subject to a payment reduction of 1 percent. Those groups that have participated successfully in PQRS for the 2013 and 2014 incentives will have the option to participate in a quality-tiering approach which would allow them to earn an upward payment adjustment for high performance and low-cost care. At the same time, those groups that choose to participate will be at risk for a downward adjustment for poor performance (i.e. low-quality and high-cost). The adjustments would range from a high of two percent for groups demonstrating high quality (3% for physicians with an attributed patient population with risk scores in the top 25%) and low cost to a downward adjustment of -1.0 percent for low quality and high cost.

CPT <sup>1</sup> / HCPCS	Description	2011		2012	2013
		2010 Total RVUs	Proposed RVUs		
32851	Lung transplant, single	71.98	78.57	99.53	97.96
32852	Lung transplant with bypass	79.65	86.89	109.09	107
32853	Lung transplant, double	85.82	94.48	137.55	136.86
32854	Lung transplant with bypass	93.78	102.27	146.51	145.45
33935	Transplantation, heart/lung	98.57	106.87	149.53	150.04
33945	Transplantation of heart	136.11	148.09	146.98	145.58
47122	Extensive removal of liver	90.68	99.75	99.72	100.58
47125	Partial removal of liver	81.16	89.31	89.28	90.36
47130	Partial removal of liver	87.2	95.88	95.97	96.8
47135	Transplantation of liver	128.79	143.06	142.83	144.13
47136	Transplantation of liver	110.01	120.59	120.64	123.63
47140	Partial removal, donor liver	93.16	103.1	102.25	105.26
47141	Partial removal, donor liver	103.55	111.73	114.15	115.54
47142	Partial removal, donor liver	123.23	136.15	137.06	138.46
47146	Prep donor liver/venous	8.81	9.67	9.64	9.65
47147	Prep donor liver/arterial	10.26	11.27	11.24	11.25
48552	Prep donor pancreas/venous	6.35	6.93	6.9	6.9
48554	Transpl allograft pancreas	65.5	73.12	74.59	76.28
50320	Remove kidney, living donor	38.13	41.59	42.03	46.62
50327	Prep renal graft/venous	5.87	6.39	6.34	6.32
50328	Prep renal graft/arterial	5.13	5.58	5.54	5.52
50329	Prep renal graft/ureteral	4.89	5.23	5.15	5.1
50340	Removal of kidney	24.24	27.07	27.6	28.22
50360	Transplantation of kidney	66.71	73.99	74.88	76.08
50365	Transplantation of kidney	75.1	83.35	84	84.55
50370	Remove transplanted kidney	31.12	34.55	34.9	35.53
50380	Reimplantation of kidney	52.78	58.38	58.85	59.5