What is the effect of the Medicare Physician Fee Schedule on anatomic pathology (AP) services?
While total Medicare expenditures to pathologists will remain stable in 2015, reimbursements for certain services targeted by the Centers for Medicare & Medicaid Services (CMS) as overvalued are adjusted downward. Pathology services will see a 1% decrease based on the impact of changes to the work relative value units used to calculate the professional component of pathology services as well as global payment.

On the other hand, some pathology services will see payment increases. The impact of changes to the practice expense resulted in a 1% increase in pathology payment.

Taken together, the net impact of those payment cuts and upward adjustments is zero percent change. That estimate considers all pathology services in the aggregate. The impact on individual pathology practices will vary depending on the volumes and types of services they provide to patients.

Where can I find information on a code-by-code level of payment changes for 2015?
The CAP is releasing an impact table together with our detailed STATLINE report including the relative value units (RVUs), reimbursement levels, and percent changes for all pathology codes. Please note that there is not a direct crosswalk between payment for in situ hybridization, IHC services and for reporting prostate biopsy specimens from 2014 to 2015 as the codes and reporting changed for these services.

What are the new rates for reporting the prostate biopsy G-code?
For 2015, there will be one payment for prostate biopsy services on Medicare patients using the CMS Healthcare Common Procedure Coding System (HCPCS) code G0416. The rates are: $649 for global payment, $183 for the professional component, and $467 for the TC.

Did the CAP support the prostate biopsy G-code change?
No, the CAP opposed the policy change and provided formal comments to the agency. The CAP also led an effort with the American Medical Association (AMA) and other societies to join us in opposing the change.

Do we expect more changes in prostate biopsy payment?
Yes, the CAP expects changes in 2016. Medicare wants the rates examined and the CAP is ready to work through the AMA/Specialty Society Relative Value Scale Update Committee (RUC) process to review and value the service for 2016 in response to the CMS' concerns.

Why are there new codes for Immunohistochemistry?
The CMS targeted immunohistochemistry (IHC) as overvalued and created G-codes in 2014 to reduce Medicare spending on the services. The CAP advocating for an alternative to G-codes by proposing changes to CPT codes. The CMS adopted new CPT codes and payment, and will not require the use of the G-codes for IHC.
The revised codes aim to eliminate CMS' use of G-codes for IHC which led to confusion between Medicare and non-Medicare payers as well as to allow for revaluation of the initial single antibody stain procedure as well as for each additional single antibody stain procedure when necessary. The CMS' lowered the value recommended by the CAP and the RUC for the IHC add-on service.

Why are there new codes for in situ hybridization services (FISH)?
The CAP advocated for AMA Common Procedural Terminology (CPT) code changes to address CMS payment concerns and avoid creation of G-codes to report FISH services. The 2015 final rule includes the decision to adopt CPT code changes and revalued payment. The 2014 National Correct Coding Initiative (NCCI) Policy Manual limited payment for multiple units of service for FISH services, represented by CPT codes 88365, 88367 and 88368 due to CMS concern with overpayment of multiples and the use of multiple probes. This policy change placed limits on the units of services reportable for these services and decreased reimbursement for FISH.

To address CMS' concern, which led to NCCI policy change and the CMS' request for revaluation of CPT codes 88365, 88367 and 88368, the CAP worked for adoption of new CPT codes and new values for capturing the physician work and costs associated when performing in situ hybridization services for additional probe stain procedures as well as multiplex probe stain procedures.

Why did payment still go down for FISH?
The CMS has expressed concern that the rates for FISH were overvalued since 2010. The agency questioned many of the practice expense costs that make up the technical component for the service, and the CAP will be working with the agency to address their concerns.

The CMS also lowered the value recommended by the RUC for in situ hybridization add-on service.

How final is "final" for pathology payment?
The new “values” for codes used to set payment are all subject to comment for 60 days and change before they are finalized for 2016. CAP will be working with the agency to address concerns regarding payment recommendations developed by CAP that were rejected for the IHC and FISH codes.

Is the CAP able to influence this at all?
The CAP will work with the AMA and other groups to pressure the CMS to accept recommendations developed by CAP and approved by the RUC.

Are there any other changes impacting AP pathology payment for 2015?
The CMS accepted CAP’s argument to pay for CPT code 88375 which was new in 2014. This code is for Optical Endomicroscopy interpretation and represents a reversed decision not to pay separately on Medicare Fee Schedule last year.

The CMS accepted RUC-approved values developed by the CAP for microdissection (88380 and 88381), which was also targeted by the agency.

What is the link between the fee schedule and Medicare's sustainable growth rate (SGR)?
Any change to the SGR impacts the conversion factor used to convert the relative value units into dollars. For example, when Congress has implemented a “freeze” in the SGR, any changes to the individual code’s RVUs resulting in increases and decreases remain in place. The vehicle to convert the RVUs to dollars is what is frozen. The current SGR “patch” expires next March and physicians will be faced with a 21% across-the-board cut without congressional intervention.
College of American Pathologists

What will be the next codes for review by the CMS?
The CMS has called for review of the following services as potentially overvalued:
- Prostate Biopsy G-code
- Flow Cytometry Technical Component Services
- Cytopathology interpretation

Will CMS cut pathology rates based on hospital data?
While the rule did not include any cuts based on hospital data CMS will continue to review all data sources for use in setting physician fees. Congress gave the CMS increased authority to develop and use alternative approaches to establish relative values, including the use of data from other suppliers and providers of services. The CMS will consider comments received as they continue to think about mechanisms to improve the accuracy of practice expense values.