On November 16, 2015 the Centers for Medicare and Medicaid Services (CMS) published the final Medicare Physician Fee Schedule (Final MPFS). The Final MPFS addresses changes to the physician fee schedule and related policies, reflecting the continued shift away from fee-for-service to a value-based reimbursement system. Except for the changes to the Stark definition of “ownership or investment interest,” which goes into effect January 1, 2017, the provisions in the Final MPFS are effective January 1, 2016. Comments will be accepted on the Final MPFS through December 29, 2015. Summarized below are select highlights that address the non-Stark law changes in the Final MPFS.

1. Medicare Telehealth Services.
   In the Final MPFS, CMS added the following services to the list of CPT codes approved for reimbursement as telehealth services, subject to specific conditions: prolonged service inpatient CPT codes 99356 and 99357 and end-stage renal disease services 90963-90966. Despite commenters’ proposals to include certain critical care and medication management services, CMS did not approve these new telehealth services. CMS also finalized its proposal to include certified registered nurse anesthetists (CRNAs) to the list of practitioners authorized to furnish services via telehealth. Finally, CMS increased slightly the reimbursement amount for a telehealth-related originating site facility fee (Q3014) to $25.10.

2. “Incident to” Services.
   CMS finalized two key changes to the “incident to” billing rules that will impact physicians and other practitioners. First, in response to numerous

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2 The deadline for submission of new service approval requests for the CY 2017 Physician Fee Schedule is December 31, 2015.
comments, CMS finalized a new requirement that the billing practitioner and the supervising practitioner (not the ordering physician) be the same individual. Second, CMS finalized its proposed prohibition against practitioners utilizing “auxiliary personnel,” who are excluded from federally funded health care programs. Finally, CMS solicited comments from the provider community regarding its future enforcement of “incident to” rules and regulations.

3. Physician Compare Website.
The Final MPFS included the following key changes related to the Physician Compare Website:

- Decision not to include a value modifier attributed to individuals and group practices
- Inclusion of an indicator for individuals who satisfactorily report the new Cardiovascular Prevention measures group
- Continued inclusion of all PQRS group practice level and ACO Shared Savings Program measures available for public reporting annually, including making the 2016 PQRS group practice and ACO data available for public reporting on Physician Compare in late 2017
- Expansion of qualified clinical data registry (QCDR) reporting to group practices
- Public reporting of items, measure-level, and benchmarks derived using the ABC™ methodology annually based on the PQRS performance rates most recently available stratified by reporting mechanism for both group practice and individual Eligible Professionals (EP) level measures
- In addition to the specialties reported by the American Board of Medical Specialties, inclusion of indicators for specialties represented by the American Board of Optometry and American Osteopathic Association

4. Physician Quality Reporting System.
The Final MPFS focuses on matters relating to the 2018 PQRS payment adjustment, which will be based on an EP’s or a group practice’s reporting of quality measures data during the 12-month calendar year reporting period occurring in 2016. CMS clarified that EPs in CAH-IIs reimbursed by Medicare may now participate in the PQRS and neither EPs who practice in Rural Health Clinics and/or Federally Qualified Health Clinics nor EPs who perform services for an Independent Diagnostic Testing Facility or Labs will not be subject to the PQRS payment adjustment. CMS also clarified what must be reported, establishing 12 categories of reporting information for group practices that have registered to participate in the PQRS GPRO. CMS clarified that certain specialties, including diagnostic radiology, pathology, anesthesiology, and podiatry, and hospitals are excluded from selection as focal provider. Beginning in 2016, a Qualified Clinical Data Registry (QCDR) must provide substantial information to CMS to ensure that QCDR data is valid, and PQRS participants and their vendors will be subject CMS audit.

5. EHR Incentive Reporting.
In association with meaningful use incentive payments for the adoption and use of certified EHR technology, the Secretary for DHHS selects CQMs for EPs to report in order to receive incentive payments. If done electronically, this reporting is conducted using Certified Electronic Health Record Technology (CEHRT), and EPs who use CEHRT are required to test and certify to the most recent version to ensure that the data successfully transmits. The Final MPFS revises the definition of CEHRT to require certification be, at a minimum, compliant with the Quality Reporting Document Architecture (QRDA) Category I and Category III standards.
created by the Office of the National Coordinator for Health Information Technology (ONC).

Additionally, under the Comprehensive Primary Care (CPC) initiative, CMS pays participating primary care practices a care management fee to support enhanced, coordinated services, and CPC practice sites are required to report to CMS a subset of the CQMs that were selected in the EHR Incentive Program. For a practice site that has demonstrated meaningful use for more than one year, CMS has expanded the requirements of one of the reporting options for practice sites participating in meaningful use for more than a year to require that the practice site to successfully report at least nine electronically specified CQMs across three domains for the relevant reporting period, starting in 2016. In addition, CMS will allow practice sites in their first year of participation to use this reporting method, although they have to submit a longer reporting period (one year rather than 90 days).

6. Medicare Shared Savings Program.
The Final Rule makes changes to the quality measures and performance standards and provisions of the program regarding assignment of beneficiaries to an Accountable Care Organization (ACO). For quality measures and performance standards, the Final Rule adds a new pay-for-reporting measure called “Statin Therapy for the Prevention and Treatment of Cardiovascular Disease” to the Preventive Health domain; adds a right to maintain a measure as pay for reporting, or revert a pay-for-performance measure to pay for reporting, if a measure owner determines the measure no longer meets best clinical practices due to clinical guideline updates or clinical evidence suggests that continued application of the measure may result in harm to patients; requests comments to several questions related to its quality measure for PCPs who successfully meet meaningful use requirements, focusing on whether the measure could be expanded and updated to reward providers who have achieved higher levels of health IT adoption; and modifies PQRS language to treat “ACO providers” the same as any other physician group electing to report via PQRS. Additionally, CMS implemented two revisions to the list of codes that constitute primary care services under the Shared Savings Program related to: (i) assignment of beneficiaries based on certain evaluation and management services in skilled nursing facilities (SNFs); and (ii) assignment of beneficiaries to ACOs that include Electing Teaching Assistant (ETA) hospitals.

7. Value-Based Payment Modifier and Physician Feedback Program.
Under the value-based payment modifier (VM) program and Physician Feedback Program, payments for items and services reimbursed under the MPFS are subject to positive, negative, or neutral payment adjustments based on the quality of care provided compared to the cost of care during an applicable performance period. The VM will expire at the end of CY 2018 at which time, it will be replaced by the Merit-Based Incentive Payment System (MIPS). The Final MPFS includes the following changes for the VM program’s CY 2017 payment adjustment period including revising the criteria for groups to avoid the PQRS payment adjustment for CY 2017 to provide an additional opportunity for quality data reported by individuals EPs in the group to be taken into account; increase the minimum number of episodes required for inclusion for the Medicare Spending Per Beneficiary (MSPB) measure; applying the quality composite score of an ACO that has the highest numerical quality composite score where a TIN is participating in multiple Shared Savings Program ACOs; waiving application of the VM for physicians in groups with two or more eligible EPs and physicians who are solo practitioners participating in the Pioneer ACO Model, CPC initiative, and other similar Innovation Center models; and applying an additional upward payment adjustment to Shared Savings Program ACO participant TINs that are classified as “high quality” under the quality-tiering methodology upon achievement of certain beneficiary risk scores. The Final MPFS also sets
certain standards beginning in the CY 2018 payment adjustment period outlined in detail throughout the Final Rule including, for example, applying the VM to nonphysician EPs such as physician assistants, nurse practitioners, clinical nurse specialist, and certified registered nurse anesthetists who are solo practitioners or are in groups 2 or more EPs.³

For More Information

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* 2016 BTI Client Service A-Team Report

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