American Society for Clinical Pathology

Policy Implications of Evidence-Based Medicine in GI Pathology

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Critical Policy Questions GI Pathology

- Should we bill for an ancillary stain (e.g. H. pylori), if the H. pylori are detectable on the routinely processed H&E slides?

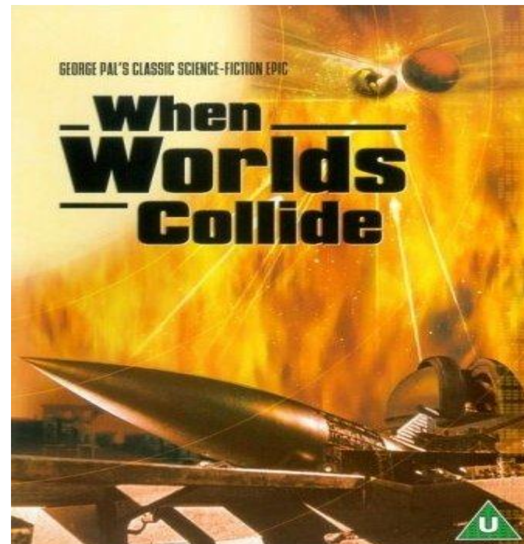
- Are there changes on the horizon with respect to reimbursement of multi-part cases?

- Is there a ceiling to the number of ancillary (88312, 88313, 88342) stains one can bill for (or collect) on parts? (No MUE protocols)

- How do third party payers decide what additional tests are necessary to work up a case?

Medicare Billing Policy & Evidence-Based Practice

Should we bill for an ancillary stain (e.g. H. pylori), if the H. pylori are detectable on the routinely processed H&E slides?



CMS Review of Pathology/Laboratory Reimbursement in GI Pathology

- Current budgetary climate (Debt, Deficit, etc) and concerns about increased cost of Medicare services leading to increased CMS scrutiny of medical charges.

- Concerns about overutilization of certain Medicare reimbursed services.

- Concern about self referral, such as 88305--especially when routinely accompanied by other tests that have not been frequently used historically, e.g., special stains.

- CMS statutorily required to review work, practice expense (PE) inputs, and Relative Value Units (RVUs) of services paid under PFS every 5 years.

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Revaluing PFS CPT Codes

Historically, codes identified for inclusion in 5 year review have included codes identified and nominated by the public as well as by CMS and AMA RUC.

Beginning in 2009, CMS and AMA RUC began identifying and reviewing potentially misvalued codes on annual basis.

Identifying Codes for Review

CMS uses a variety of screens to identify codes to be reviewed on an annual basis:

codes with high growth rates;

codes frequently billed together in one encounter
(88305 & IHC &/or special stains);

and codes valued as inpatient services now predominantly billed as
outpatient services.

Public Input ***had not*** been a factor in identification of codes for annual review.

For 2012, CMS combining 5 year review of work and PE with annual review of misvalued codes. CMS proposing to allow public input on misvalued codes, eg. 88305

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Pathology Codes for Review

CMS asked the RUC to re-evaluate the following three CPT codes as potentially misvalued services by July 2013:

88342 Immunohistochemistry
88112 Cytopathology, Cell Enhanced Tech
88312 Special Stains Group 1

CMS proposed rule seeks RUC review of the physician time, work RVU, and direct PE inputs

These codes represent high PFS expenditure procedural codes that have not been reviewed since CY 2006

Other Codes Nominated For Review 2012 PFS

88305 TC

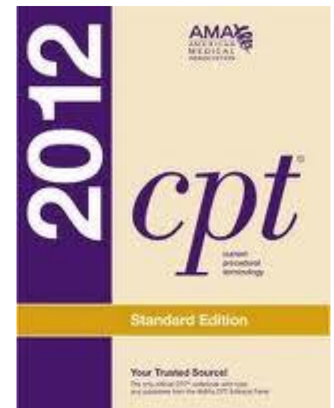
CMS indicated in its final rule that a stakeholder, presumably concerned about the incentives for clinician self referral argued urged review of the code stating that ***"the typical cost…is approximately $18, but the PE RVUs for 2011 result in a national payment rate of $69.65 for the technical component of the service."***

Other Codes Nominated For Review 2012 PFS

88365, 88367, 88369 versus 88120 and 88121
***In Situ Hybridization Testing codes* –**

Stakeholder concern about potential payment discrepancies between the codes that describe the same test using different specimen media (urine versus other specimen).

CMS calls for RUC review *both* the direct PE inputs and work values of the existing codes that describe the test using specimen media other than urine.



What's Next?

Due to increased Medicare costs, particularly those pertaining to self referral and overutilization, the pathology and laboratory community should expect CMS to step up its efforts to rein-in these expenditures.

DO NOT expect CMS to fix loopholes in anti-markup/in-office ancillary services exception rules to rein-in bad actors who engage in activities that leading to program abuse.

DO expect CMS to focus more on efforts to reduce payment rates via the misvalued codes initiative.

What can you do to help properly price pathology/laboratory codes?

While technically the misvalued code initiative would seem to be receptive to the idea of repricing codes that are *undervalued*, so far it appears CMS is focused, perhaps exclusively, on revaluing only those codes they believe are *overvalued*.

Advocate with CMS on a list of codes that are the *most over/undervalued*? Nominate codes with rationale for reconsideration and provide a rationale/evidence to support a higher valuation? Work within the professional societies to gain consensus!

Participate in professional association survey requests, i.e. CAP surveys regarding the appropriate pricing of codes under review by CMS or RUC.

Thank you.