

## 2024 Medicare Physician Fee Schedule Final Rule: Impact on Pathology

### Introduction

In early November, the Centers for Medicare & Medicaid Services (CMS) released a final rule detailing policy changes for Medicare payments under the Physician Fee Schedule (PFS) and other Medicare Part B issues. These changes go into effect January 1, 2024.

This final rule is part of a series of regulations that align with a comprehensive strategy across the current administration. The aim of these rules is to foster a healthcare system that is more equitable, and enhances access to high-quality, affordable care.

### Overview of Proposed Changes

The [2024 MPFS final rule](#) includes an overall 2% reduction in pathology reimbursement, marking another year of payment cuts for pathologists. This echoes a broader trend seen in recent evaluation and management (E/M) payment and coding adjustments, negatively affecting specialists not providing these services.

### Key Points Affecting Pathologists

Conversion Factor Decline:

- The final rule outlines an updated conversion factor of \$32.7476, reflecting a 3.36% decline from 2023.
- This conversion factor adjustment is influenced by the expiration of the 2.5% statutory payment increase in 2023 and a 1.25% statutory payment increase for 2024.
- Adjustments for budget neutrality due to Relative Value Unit (RVU) changes and the introduction of new services, including E/M code G2211, also play a role in the conversion factor decline.
- E/M code G2211, an add-on code for ongoing, longitudinal care, was initially scheduled for implementation in 2021, but was postponed due to successful lobbying efforts. This code will be implemented beginning January 1, 2024, and CMS anticipates its use in up to 54% of office visits.

MIPS Reporting for 2024:

- CMS initially proposed raising the performance threshold to 82 points, but has decided to keep it at the current level of 75 points for 2024.
- Data completeness thresholds will not be increased, as was originally proposed.
- While no new or deleted measures were proposed for 2024, there is an increased focus on MIPS Value Pathways (MVPs), though none are currently applicable to pathologists.

### High-Volume Code Changes

Surgical Pathology:

The global rate for CPT® 88305 is set to fall to \$70.40. The professional rate will fall 3% to \$35.36, and the technical component will fall 1% to \$35.04.

Immunohistochemistry:

The global rate for CPT 88342 will rise 3% to \$104.13, professional interpretation will decrease 3% to \$33.07, and the technical component will rise 6% to \$71.05.



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The global rate for CPT 88341 will increase 2% to \$89.06, the professional interpretation will decrease 5% to \$26.52, and the technical component will rise 5.5% to \$62.54.

### Monitoring Updates

APS will continue to monitor developments with the MPFS and will provide updated information as it becomes available. In particular, APS will stay informed on the progress of the Better Mental Health Care, Lower-Cost Drugs, and Extenders Act of 2023, which legislators are currently working on and would scale back some of the cuts included in the 2024 MPFS Final Rule.

If you have any questions about how this final rule will affect your reimbursement, please contact your Practice Manager.

Below is a list of key rate changes. Please see the [MPFS Impact Table](#) for a complete list of changes to the payment rates for various CPT codes.

### Final Medicare Rate Changes for Key Pathology Codes for 2024

CPT/HCPCS	Short Description	Proposed 2024 <sup>1</sup>	Actual 2023 <sup>2</sup>	Proposed Rate % Change
88305-Global	Level IV, tissue exam by pathologist	\$70.40	\$71.84	-2.0%
88305-26	Level IV, tissue exam by pathologist	35.36	36.60	-3.4%
88305-TC	Level IV, tissue exam by pathologist	35.04	35.24	-0.6%
88307-Global	Level V, tissue exam by pathologist	282.91	292.79	-3.4%
88307-26	Level V, tissue exam by pathologist	77.60	80.99	-4.2%
88307-TC	Level V, tissue exam by pathologist	205.31	211.80	-3.1%
88331-Global	Pathology consult during surgery	99.21	102.68	-0.8%
88331-26	Pathology consult during surgery	58.61	61.00	-1.5%
88331-TC	Pathology consult during surgery	40.60	41.68	0.4%
88341-Global	Immunohistochemistry (Add'l stain)	89.06	87.09	2.3%
88341-26	Immunohistochemistry (Add'l stain)	26.52	27.79	-4.6%
88341-TC	Immunohistochemistry (Add'l stain)	62.54	59.30	5.5%
88342-Global	Immunohistochemistry (1st stain)	104.13	100.98	3.1%
88342-26	Immunohistochemistry (1st stain)	33.07	34.23	-3.4%
88342-TC	Immunohistochemistry (1st stain)	71.05	66.76	6.4%
G0416-Global	Prostate biopsy, any method	356.58	363.27	-1.8%
G0416-26	Prostate biopsy, any method	168.31	174.86	-3.7%
G0416-TC	Prostate biopsy, any method	188.28	188.41	-0.1%

### Sources

- <https://www.cms.gov/newsroom/fact-sheets/calendar-year-cy-2024-medicare-physician-fee-schedule-final-rule>
- <https://www.cap.org/advocacy/payments-for-pathology-services/medicare-physician-fee-schedule>
- [https://www.aafp.org/pubs/fpm/blogs/gettingpaid/entry/2024-medicare-fee-schedule.html#:~:text=The%20Centers%20for%20Medicare%20and,reduction%20from%202023%20\(%2433.89\).](https://www.aafp.org/pubs/fpm/blogs/gettingpaid/entry/2024-medicare-fee-schedule.html#:~:text=The%20Centers%20for%20Medicare%20and,reduction%20from%202023%20(%2433.89).)
- <https://www.aha.org/news/headline/2023-11-02-cms-issues-cy-2024-physician-fee-schedule-final-rule>
- <https://apsmedbill.com/whitepapers/another-year-payment-cuts-pathologists-projected-2024>