

2025 MPFS Proposed Rule for Pathology Released

On July 10, 2024, CMS released its 2025 Medicare Physician Fee Schedule (MPFS) Proposed Rule. Despite some proposed positive changes, the schedule includes cuts to physician payments, affecting pathologists and independent laboratories. These cuts are primarily due to the expiration of congressional Medicare pay relief packages that offset previous reductions in 2023 and 2024. Advocacy efforts are ongoing to mitigate the impact of these cuts before they take effect.

Comments will be submitted to the Centers for Medicare & Medicaid Services (CMS) within the next 60 days on the proposals impacting pathology. Below are the significant changes outlined in the proposed rule affecting the fee schedule itself as well as the MIPS program:

Budget Neutrality Adjustments and Expiration of Congressional Relief

- The continued budget neutrality adjustments and the expiration of relief packages negatively affect pathologists and other specialties.
- See the College of American Pathologists [impact table](#) showing the proposed changes to pathology services in 2025.

Impact on Pathology Payment

The proposed 2025 fee schedule indicates a 2.4% decrease in pathology payments from 2024 to 2025. The conversion factor for 2025 is proposed at \$32.3562, a 2.8% decrease from 2024. This decrease includes required budget neutrality adjustments and implementation of new services. Efforts continue to lobby Congress to mitigate these cuts.

Need for Congressional Action

The anticipated 2.8% decrease in the conversion factor for 2025 is primarily due to the expiration of two congressional relief packages, leading to a continued downward trend in pathology payments, which have decreased by 7.0% since 2021. Advocacy efforts focus on long-term solutions to address payment update adequacy and sustainability.

Increased Medicare Quality Payment Program (QPP) Requirements

- The CMS proposes higher QPP requirements, increasing the difficulty for eligible clinicians to avoid payment penalties. APS will release a supplemental white paper on this topic.

Changes to Quality Payment Program (QPP) Rules

For 2025, the CMS will:

- Maintain the performance threshold at 75 points, despite opposition due to increased burden on pathologists.
- Keep the data completeness threshold at 75 points.
- Maintain the Pathology Specialty Measure Set without adding or removing measures.
- Reduce available options for Improvement Activities.



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The CMS is also implementing MIPS Value Pathways (MVPs), including two pathology quality measures in a proposed MVP for Dermatological Care. Participants will need at least four quality measures to report an MVP. The potential impact will be evaluated, and feedback will be provided on developing MVPs for non-patient-facing specialties.

Advanced Alternative Payment Models (APMs)

Eligible clinicians in the Advanced APM track who achieve Qualifying APM Participant (QP) or Partial QP status are excluded from MIPS reporting requirements and payment adjustments. The CMS proposes changes to beneficiary attribution for QP determinations and continues to focus on transforming healthcare delivery, aiming for all traditional Medicare beneficiaries to be in an accountable care relationship by 2030. The APM Incentive Payment amount for the 2026 payment year (performance year 2024) is proposed at 1.88%.

New CPT Codes for CAR-T Therapy Services

At the May 2023 AMA CPT® Editorial Panel meeting, a multispecialty group developed four new Category I CPT codes for CAR-T therapy procedures, initially created as Category III codes in 2018. These codes are:

- **3X018:** Harvesting of blood-derived T lymphocytes for CAR-T cell development.
- **3X019:** Preparation of blood-derived T lymphocytes for transportation.
- **3X020:** Receipt and preparation of CAR-T cells for administration.
- **3X021:** Administration of autologous CAR-T cells.

A multispecialty effort presented physician work and direct practice expense recommendations, resulting in the CMS proposing the RUC-recommended work RVUs for all four CAR-T services. Feedback will be provided through CMS' public comment process.

Conclusion

APS Medical Billing remains committed to keeping pathology practices informed about changes to the Medicare Physician Fee Schedule. Advocacy efforts are crucial in protecting the value of pathology services. If you have any questions about these proposed changes, please contact your Practice Manager.