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The 2020 Medicare Final Rule

Overview

On November 1st, the Centers for Medicare and Medicaid Services (CMS) published its finalized rule for the Medicare Physician Fee Schedule (MPFS), which will go into effect January 1, 2020. The rates for pathology will remain relatively unchanged in 2020, with a few minor exceptions discussed below. However, pathologists should remain aware that the Final MPFS also includes a new plan for 2021 which will provide higher reimbursements to primary care providers. This change will likely come at the expense of specialists, such as pathologists, and practitioners should bear this in mind moving forward.

Fee Schedule Highlights

The majority of the changes to the MPFS were relatively minor, being limited to a few percent points in either direction. There were a handful of exceptions to this, some of which occur in key pathology codes. Despite the minor changes to this year's fee schedule, however, the Medicare rates remain highly important to the industry as they serve as the baseline for most commercial insurance plans as well as Medicaid. Some of the changes to key codes are as follows:

- For Special Stains, the global rate for CPT 88312 (Group 1) will increase by 5% and the technical component will increase by 7%. The global rate for CPT 88313 (Group 2) will increase by 4.5% and the technical component will increase by 5%. The professional interpretation rates increase by a relatively small 0.1% and 0.2%, respectively.
- Global reimbursement for G0416 (prostate biopsy, any method) decreased by 10% with a 19% cut to the technical component. This will be the last phase-in cut to G0416.
- The final phased-in cuts for CPT 88185 (flow cytometry, TC, add'l marker, each) are being lowered 10%.
- Pap Testing Interpretations took significant cuts: 88141 (screening, cytopathology, cervical or vaginal, interp by physician) was reduced 19% and will likely experience similar cuts in 2021. G0124 (screening cytopathology) and G0141 (screening cytopathology by auto system, requiring physician interp) were both also reduced by 19%.

For additional information on CMS pricing changes for CY2020, we suggest you review CAP's impact table.

Changes to Merit-based Incentive Payment System (MIPS)

A series of changes were made to MIPS raising the standards for meeting the baseline requirements for value-based reimbursement. Many of the criteria against which performance is judged will carry over into 2020 (e.g., pathology quality measures, category weighting, etc.). However, substantial changes have been made in multiple areas that practitioners should be aware of moving forward into performance year 2021. The major proposals are as follows:

- The point threshold to avoid penalty has increased from 30 (performance year 2019) to 45 (performance year 2020). Notably, it is also scheduled to increase to 60 points for performance year 2021.
- Data completeness for quality measures of a patient's applicable cases has increased from 60% in 2019 to 70% in 2020.

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- Measure #440 Basal Cell Carcinoma (BCC)/Squamous Cell Carcinoma (SCC): Biopsy Reporting Time – Pathologist to Clinician
  Domain: Communication and Care Coordination
  Measure Type: Process
  High Priority

  Measure Description: Percentage of biopsies with a diagnosis of cutaneous Basal Cell Carcinoma (BCC) and Squamous Cell Carcinoma (SCC) (including in situ disease) in which the pathologist communicates results to the clinician within 7 days from the time when the tissue specimen was received by the pathologist.

  Measure Rationale: To ensure timely communication and effective treatment for the patient as delay may directly affect patient care.

  Documentation Guidelines:
  - Pathology report diagnosing cutaneous basal cell carcinoma or squamous cell carcinoma (to include in situ disease) sent from the Pathologist/Dermatopathologist to the biopsying clinician for review within 7 days from the time when the tissue specimen was received by the pathologist – **OR**
  - Document encounters where the Pathologist/Dermatopathologist's service was for providing a second opinion only which qualifies the case as an exclusion for performance of the measure –**OR**
  - Clearly identify encounters where the Pathologist/Dermatopathologist was the same clinician who performed the biopsy which qualifies the case as an exclusion for performance of the measure
  - Tip: Documentation should reflect the date the specimen was received and the date the pathology report was sent to the biopsying clinician

It should be noted that failing to meet the finalized baseline performance threshold of 45 points will result in a penalty of 9%, which is a substantial increase from the original penalty of 3%. Because of the 2-year gap between performance and payment year, 2020 performance results will affect payment in 2022. Naturally, if the threshold increase to 60 points takes place in 2021, as is planned, then the penalty resulting from poor performance in 2021 would be applied to payments received in 2023.

Looking Ahead to 2021

The CMS has finalized considerable rate hikes for evaluation and management (E&M) codes to reimburse primary care physicians for office/outpatient visits. As a result, rate reductions are necessary for specialists, such as pathologists, who infrequently bill for E/M services in order to comply with budget-neutrality requirements. Pathologists should prepare for a potential 8% decrease in rates in 2021, as well as a 4% decrease to technical fees for independent pathology labs. It is not yet clear precisely how these cuts will be applied to pathology professional and technical payments, but the numbers given at least provide an estimate of the magnitude pathologists may anticipate going forward.

If you have any questions about the 2020 Final Rule, please contact your Practice Manager.