

FAH Comments on CY 2019 Physician Fee Schedule Proposed Rule

The Federation of American Hospitals (FAH) submitted comments late today on CMS' Physician Fee Schedule proposed rule.

In a letter to CMS Administrator Seem Verma, FAH wrote, "It is imperative that providers focus on the care and well-being of their patients without unnecessary regulatory burden getting in the way...we appreciate CMS identifying a number of areas where policies can be updated, and burden reduced. However, we do have significant concerns with a number of CMS's proposed policies including the proposal to collapse the payment rates for E/M visit codes."

Key recommendations in the letter include:

- ***Evaluation and Management (E/M) Visit Codes***

FAH enthusiastically supports CMS's proposals to reduce administrative burdens by targeting extra or redundant E/M documentation requirements, as well as CMS's overall focus on reducing administrative burden while improving care coordination, health outcomes, and patient autonomy. However, we strongly urge CMS not to adopt the proposed coding and payment changes for office and other outpatient E/M visits. This code collapse would have a destabilizing effect, violate Congressional direction that work relative value units (RVUs) be based on physician time and intensity, and not meaningfully reduce documentation burdens.

- ***Payment Rates under the Medicare PFS for Nonexcepted Items and Services Furnished by Nonexcepted Off-Campus Provider-Based Departments of a Hospital***

FAH believes that the lack of transparency in the proposed rule prevents stakeholders from meaningfully commenting on the proposed PFS Relativity Adjuster. Based on prior analyses, we urge CMS to adopt a PFS Relativity Adjuster of at least 60 percent, which better captures the actual non-facility practice expenses associated with the services and the impact of packaging.

In addition, FAH's letter urges CMS to use all items and services billed with either a "PN" or "PO" modifier when calculating the PFS Relativity Adjuster so that the calculation accounts for a more representative sample of the range of items and services furnished in off-campus PBDs.

- ***Communication Technology-Based Services/Telehealth***

FAH expressed support for CMS's proposal to expand payment for communication technology-based services while encouraging the agency to reform the coverage and payment rules for telehealth and remote monitoring technologies. We believe that additional reforms will lead to improved access for beneficiaries in both rural and urban areas to primary as well as specialty and subspecialty care.

- ***Quality Payment Program***

FAH appreciates CMS's continued gradual implementation of the QPP, such as the gradual increase in the Merit-Based Incentive Payment System (MIPS) performance threshold to 30

points, as well as CMS's proposal to permit facility-based reporting for hospital-based clinicians and groups. However, we also urge the agency to make improvements to the program, such as adjusting the low-volume threshold to include more clinicians, as the current exclusion of a significant number of clinicians from MIPS participation has resulted in extremely low positive payment adjustments for those clinicians and groups that do successfully participate. FAH wrote that we appreciate CMS's proposal not to increase the financial risk parameters for Advanced Alternative Payment Models (Advanced APMs) through performance year 2024 and encourages CMS to focus on boosting participation in Advanced APMs.

- ***Clinical Laboratory Fee Schedule***

FAH said it agrees with CMS's reasoning that Congress intended to "effectively exclude hospital laboratories as applicable laboratories..." and opposes the suggested alternative approaches to defining applicable laboratory. **The letter says that** use of the CLIA certificate or bill type 14x would be administratively burdensome for hospitals and would likely require many hospital laboratories to report data, which is clearly inconsistent with Congressional intent.

- ***Appropriate Use Criteria***

FAH expressed continued concerns about the ability of providers to implement the changes required under the current timeline, the continued complexity of AUC implementation, and its potential impact on patient care. For example, we believe that AUC consultation information should only be reported on the furnishing professional's claim, not the facility claim and that CMS should exclude Emergency Departments from the AUC program entirely.

You can read the entire letter by [clicking here](#).