

SEPTEMBER 2018

ANALYSES OF CMS PROPOSED CHANGES TO MEDICARE FEE SCHEDULE FOR E/M CODES

PREPARED BY THE CENTER FOR HEALTHCARE ECONOMICS AND POLICY



Center for Healthcare Economics and Policy

Analyses of CMS Proposed Changes to Medicare Fee Schedule for E/M Codes

The Center for Healthcare Economics and Policy, FTI Consulting, Inc. was asked by the North American Neuro-Ophthalmology Society (NANOS) to make use of comprehensive data that the Center has compiled on NANOS physician members including Medicare Payments data to provide an independent empirical analysis of CMS's proposed changes to the current E/M coding system on NANOS physician members. These physicians represent a significant sub-specialty (Neuro-ophthalmology) serving large numbers of Medicare beneficiaries and for the most complex care.

As set out by NANOS in a July 27, 2018 letter to Seema Verma, Administrator of the Centers for Medicare and Medicaid Services, *“the proposed changes to the current E/M coding system, with the intent of simplifying documentation, will have a significantly negative impact on our members and stands to reduce Medicare patient access to neuro-ophthalmic services, and we respectfully request that you delay or cancel implementation.”* The NANOS letter set out their reasons for the potential negative impact *“Under the proposed system, documentation requirements for payment will be decreased to the current level 2 criteria, and although this would suggest a decreased workload for physicians, the reality is that neuro-ophthalmologists will continue to have to document extensive histories, physical exams, and medical decision-making assessments to allow other physicians to understand and act upon the relevant clinical findings and their interpretation. We recognize that complexity modifiers have been included to recognize these disparities. However, the proposed changes allow our neurologist members, but not ophthalmologists (2/3 of US neuro-ophthalmologists have their primary training in ophthalmology), to use these modifier codes. While we feel that modifier use overall is an imperfect and potentially burdensome system to impose, we request that if you proceed with implementation, that use of such codes be driven by taxonomy code and not simply by broad specialty designations (i.e. otolaryngology, ophthalmology, obstetrics/gynecology, etc.). To fail to offer this or similar relief will only worsen patient access to neuro-ophthalmic care.”*

To assist NANOS leadership and members in quantifying how and why a differentiated specialty such as Neuro-ophthalmology may be affected by the proposed code structure and reimbursement changes, we used the large sample of NANOS physicians developed by the Center and summarized in Subramanian et al, J Neuroophthalmol 2018;38:4-6¹ and updated for Medicare Payments data from 2016 (and 2015). These include data on visits (services), payments, and beneficiaries for each physician by E/M code for 2016 (2015).² The combined, updated data on NANOS physicians includes information on specialty (e.g., neurology) for 369 physicians and provides an extensive database of active Neuro-ophthalmologists for the assessment of the effect of the proposed changes. This report is organized into 6 sections:

- Background on Proposed Change to the Medicare Fee Schedule
- Evaluation of Use of E/M Codes by NANOS Physicians (and by Specialty)
- Evaluation of Impact of Proposed E/M Code Structure, Reimbursement Changes
- Evaluation of the Impact of Proposed Changes with Use of the Complexity Add-On Codes
- Assessment of the Feasibility of Use of Complexity Add-On Code
- Assessment of Potential Impact of Change on Beneficiaries and Access

Background on Proposed Changes to the Medicare Fee Schedule

CMS has released proposed changes to the Medicare Fee Schedule, including changes to reimbursements and the reimbursement code structure in 2019 for E/M codes for new and established patient visits.

Specifically, it is our understanding that CMS proposes effectively to collapse the 99201-05 and the 99211-15 E/M codes into a “simplified” structure that would provide a single code for use for each of the 99202-05 and 99212-15 codes, each to be reimbursed at a single rate for each code grouping.³ There are additional codes (and associated payment values) identified in the CMS proposal, which may apply to only some sub-specialty physicians. These codes include the E/M+GPRO1 and E/M+GCG0X codes, which we refer to in our analysis as add-on or complexity codes. We understand that CMS intends these to be used where patient complexity requires or supports additional time or reimbursement relative to codes in the proposed code structure.⁴ We also understand that these do not apply to NANOS members with a specialty of ophthalmology, indicating that any changes from the overall change in structure would not be offset by these add-on codes for these physicians.⁵

For purpose of our analyses that estimate the impact of the proposed changes, we use actual new and established patient visits for 2016 for the sample of NANOS physicians (described in the next section) and payment rates for 2018 and 2019 for each of the E/M codes and complexity add-on codes from the AAN tables. We use visits per code per physician (or group of physicians) from 2016 to estimate impact, in order to assume that the only relevant change is reimbursement (payment). For clarity, we present the payment codes and rates for 2018 and 2019 in the next two tables.

New Patient Codes

Summary of Scenarios	99201	99202	99203	99204	99205
2018 E/M Payment	\$45.26	\$76.32	\$109.80	\$167.40	\$210.60
2019 Proposed E/M Payment	\$43.26	\$134.45			
E/M + GCG0X (complexity add-on)	\$56.96	\$148.15			
E/M + GPRO1 (prolonged service add-on)		\$201.86			
E/M + GCG0X + GPRO1		\$215.56			

Source: American Academy of Neurology, Medicare Fee-for-Service: 2018 & 2019 Physician Fee Schedule, downloaded August 2018 from: <https://www.aan.com/tools-and-resources/practicing-neurologists-administrators/billing-and-coding/medicare-fee-for-service/>

Established Patient Codes

Summary of Scenarios	99211	99212	99213	99214	99215
2018 E/M Payment	\$21.96	\$44.64	\$74.16	\$109.44	\$147.60
2019 Proposed E/M Payment	\$21.99	\$91.92			
E/M + GCG0X (complexity add-on)	\$35.69	\$105.62			
E/M + GPRO1 (prolonged service add-on)		\$159.33			
E/M + GCG0X + GPRO1		\$173.03			

Source: American Academy of Neurology, Medicare Fee-for-Service: 2018 & 2019 Physician Fee Schedule, downloaded August 2018 from: <https://www.aan.com/tools-and-resources/practicing-neurologists-administrators/billing-and-coding/medicare-fee-for-service/>

Evaluation of Neuro-ophthalmologists Use of E/M Codes

Neuro-ophthalmologists (“NOs”) represent a unique and differentiated specialty from primary care or other physician specialties as has been demonstrated in statistics on NANOS practice patterns in Subramanian et al, J Neuroophthalmol 2018;38:4-6. This differentiation is evidenced in the use of E/M codes by NANOS physicians. For purposes of this report, we updated the analyses for a resulting sample of 369 U.S. NANOS members for which Medicare payments data is available from 2015 or 2016. We report the data separately for physicians by primary specialty—NANOS Ophthalmology and NANOS Neurology. The tables below each include two sections—one section for new patient codes and one for established patient codes.

The first table reports information by E/M code and the number of physicians with reported data for each code. It shows that about two-thirds of NOs specialize in Ophthalmology, and the remainder specialize in Neurology; there are a small number of physicians with other specialties (these are excluded from the analysis in the report).

The table shows that a relatively small proportion of NANOS physicians have **reported** data for 01-02 and 11-12 codes, which suggest that these are used infrequently and/or account for such low numbers of patients per physician that they are not reported in the CMS publicly available data. These codes also account for a low proportion of reported total visits and beneficiaries, as shown in the subsequent tables.⁶

Summary of NANOS Physicians E/M Analyses (2016) – Physicians

HCPCS Code	HCPCS Description	Total	Total (%)	Ophthalmology	Ophthalmology (%)	Neurology	Neurology (%)	Other
Total Physicians		369		260		102		7
Physicians Seeing New Patients		249		164		82		3
99201	New patient office or other outpatient visit, typically 10 minutes	0	0.0%	0	0.0%	0	0.0%	0
99202	New patient office or other outpatient visit, typically 20 minutes	7	2.8%	5	3.0%	2	2.4%	0
99203	New patient office or other outpatient visit, typically 30 minutes	83	33.3%	66	40.2%	15	18.3%	2
99204	New patient office or other outpatient visit, typically 45 minutes	192	77.1%	130	79.3%	60	73.2%	2
99205	New patient office or other outpatient visit, typically 60 minutes	119	47.8%	59	36.0%	58	70.7%	2
Physicians Seeing Established Patients		279		178		95		6
99211	Established patient office or other outpatient visit, typically 5 minutes	7	2.5%	7	3.9%	0	0.0%	0
99212	Established patient office or other outpatient visit, typically 10 minutes	70	25.1%	60	33.7%	9	9.5%	1
99213	Established patient office or other outpatient visit, typically 15 minutes	187	67.0%	126	70.8%	56	58.9%	5
99214	Established patient office or other outpatient, visit typically 25 minutes	221	79.2%	131	73.6%	86	90.5%	4
99215	Established patient office or other outpatient, visit typically 40 minutes	118	42.3%	53	29.8%	63	66.3%	2

Notes: Only physicians with 10 or more visits for a single code are included in counts.

Source: Centers for Medicare & Medicaid Services, Medicare Fee-for-Service Provider Utilization & Payments Data CY2016

The next table reports the distribution of total visits by E/M code for new and established patients. It shows about 90% of Neurology new patient visits and 80% of Ophthalmology new patient visits have E/M codes of 4 or 5. A high proportion of established visits are at 4/5 codes (75% for Neurology and over 50% for Ophthalmology). New patient visits account for a large proportion of total visits. These updated data are consistent with our 2013 and 2014 findings, and 2015 results. These suggest NANOS physicians are likely to be significantly affected by proposed E/M code and payment changes.

Summary of NANOS Physicians E/M Analyses (2016) – Services

HCPCS Code	Total	Total (%)	Ophthalmology	Ophthalmology (%)	Neurology	Neurology (%)	Other
Total Office Visits	93,204		58,674		33,546		984
Total New Patient Visits	25,878	100.0%	17,524	100.0%	8,018	100.0%	336
99201	0	0.0%	0	0.0%	0	0.0%	0
99202	145	0.6%	111	0.6%	34	0.4%	0
99203	3,999	15.5%	3,276	18.7%	618	7.7%	105
99204	14,603	56.4%	10,178	58.1%	4,223	52.7%	202
99205	7,131	27.6%	3,959	22.6%	3,143	39.2%	29
Total Est. Patient Visits	67,326	100.0%	41,150	100.0%	25,528	100.0%	648
99211	218	0.3%	218	0.5%	0	0.0%	0
99212	5,280	7.8%	4,427	10.8%	840	3.3%	13
99213	21,501	31.9%	15,659	38.1%	5,591	21.9%	251
99214	31,819	47.3%	16,878	41.0%	14,643	57.4%	298
99215	8,508	12.6%	3,968	9.6%	4,454	17.4%	86

Source: Centers for Medicare & Medicaid Services, Medicare Fee-for-Service Provider Utilization & Payments Data CY2016

The beneficiary table below presents analyses showing the numbers of beneficiaries served by the sample of NANOS physicians in 2016 and the new and established patient codes associated with their care. These include thousands of Medicare patients across the country.

Summary of NANOS Physicians E/M Analyses (2016) – Beneficiaries

HCPCS Code	Total	Total (%)	Ophthalmology	Ophthalmology (%)	Neurology	Neurology (%)	Other
New Beneficiaries	25,875	100.0%	17,523	100.0%	8,016	100.0%	336
99201	0	0.0%	0	0.0%	0	0.0%	0
99202	145	0.6%	111	0.6%	34	0.4%	0
99203	3,999	15.5%	3,276	18.7%	618	7.7%	105
99204	14,600	56.4%	10,177	58.1%	4,221	52.7%	202
99205	7,131	27.6%	3,959	22.6%	3,143	39.2%	29
Established Beneficiaries	51,282	100.0%	32,447	100.0%	18,318	100.0%	517
99211	192	0.4%	192	0.6%	0	0.0%	0
99212	4,106	8.0%	3,451	10.6%	643	3.5%	12
99213	16,406	32.0%	12,081	37.2%	4,117	22.5%	208
99214	23,946	46.7%	13,647	42.1%	10,078	55.0%	221
99215	6,632	12.9%	3,076	9.5%	3,480	19.0%	76

Source: Centers for Medicare & Medicaid Services, Medicare Fee-for-Service Provider Utilization & Payments Data CY2016

Evaluation of Potential Impact of Changed E/M Code Structure and Reimbursement on Neuro-Ophthalmologists

We conducted analyses to evaluate the potential impact of the proposed changes, starting with the change in code structure and reimbursement without any add-on or complexity codes.

The 2019 structure and rates result in lower reimbursement for NOs as a group compared to 2018.

Comparison of total reimbursement under the 2018 structure (using the AAN schedule set out above) with the new 2019 rates for new and established patients shows a significant percentage (%) reduction in reimbursement for NANOS physicians. Scenario 1 set out below compares the payments for NANOS physicians for new, established, and total patients using the 2018 payment rates and the proposed 2019 payment rates. These rates are applied separately for Ophthalmology and for Neurology and then combined for a total for all NANOS physicians in the sample. The summary table shows that for all NANOS physicians the % reduction for New Patients is 21% and for Established Patients is 6.1% for an average reduction of 12% across all NANOS physicians.

Summary of Scenario 1: Using the baseline payment for codes ending in 1, 2, 3, 4, and 5

	2018 Payments	2019 Payments	% Difference
Total	\$10,853,588	\$9,547,919	-12.0%
New Patients	\$4,345,036	\$3,434,122	-21.0%
Established Patients	\$6,508,552	\$6,113,797	-6.1%

Source: Centers for Medicare & Medicaid Services, Medicare Fee-for-Service Provider Utilization & Payments Data CY2016; American Academy of Neurology, Medicare Fee-for-Service: 2018 & 2019 Physician Fee Schedule

The detailed Scenario 1 table illustrates the approach taken and breaks down the evaluation into Ophthalmology and Neurology and estimates the same scenario for each group. This table and all detailed Scenario tables show the estimated 2018 rate (which stays the same for all scenarios) and the 2019 rate per E/M code. In Scenario 1, proposed 2019 rates are the same for 2-5 codes for new (established) patients. The summary rows show that both Ophthalmology and Neurology physicians are estimated to have significantly reduced payments for both new and established patients and on average for all patients. The % reduction for Neurology is higher than for Ophthalmology for new (-25%), established (-13%) and total (-18%) given the somewhat higher prevalence of 4/5 visits for Neurology. The analysis shows that the % reduction in payments is the largest for new patients who account for a substantial volume and share of NO patients.

Details of Scenario 1: Using the baseline payment for codes ending in 1, 2, 3, 4, and 5

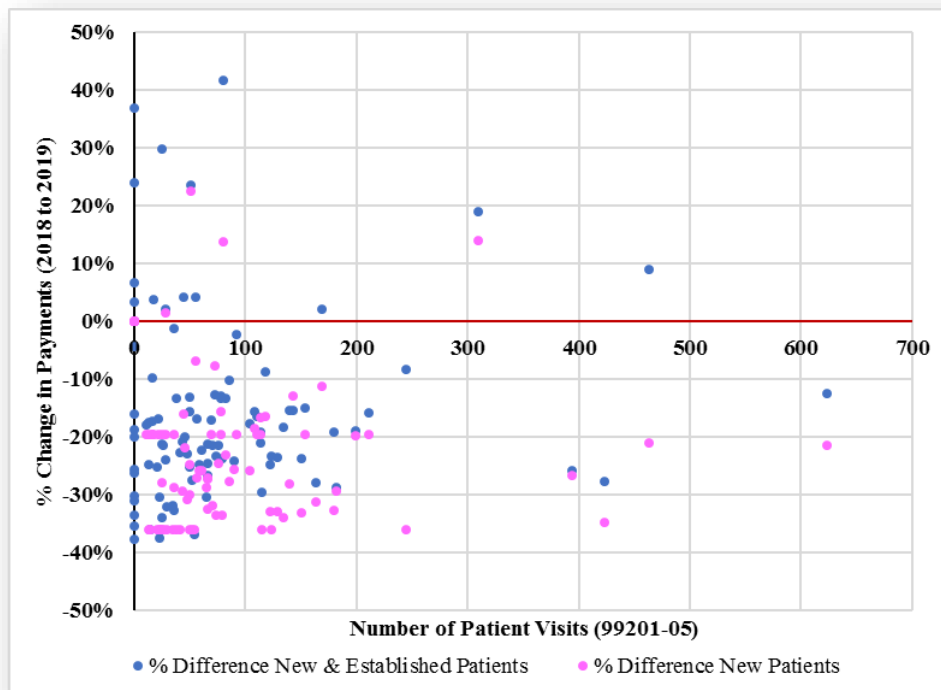
HCPCS Code	2018 Rate	Ophthalmology	2019 Rate	2018 Payments	2019 Payments	% Difference	Neurology	2019 Rate	2018 Payments	2019 Payments	% Difference
		58,674		\$6,702,224	\$6,123,365	-9%	33,546		\$4,151,364	\$3,424,554	-18%
		17,524		\$2,905,739	\$2,356,102	-19%	8,018		\$1,439,297	\$1,078,020	-25%
99201	\$45.26	0	\$43.26	\$0	\$0	-	0	\$43.26	\$0	\$0	-
99202	\$76.32	111	\$134.45	\$8,472	\$14,924	+76%	34	\$134.45	\$2,595	\$4,571	+76%
99203	\$109.80	3,276	\$134.45	\$359,705	\$440,458	+22%	618	\$134.45	\$67,856	\$83,090	+22%
99204	\$167.40	10,178	\$134.45	\$1,703,797	\$1,368,432	-20%	4,223	\$134.45	\$706,930	\$567,782	-20%
99205	\$210.60	3,959	\$134.45	\$833,765	\$532,288	-36%	3,143	\$134.45	\$661,916	\$422,576	-36%
		41,150		\$3,796,485	\$3,767,263	-1%	25,528		\$2,712,066	\$2,346,534	-13%
99211	\$21.96	218	\$21.99	\$4,787	\$4,794	+0%	0	\$21.99	\$0	\$0	-
99212	\$44.64	4,427	\$91.92	\$197,621	\$406,930	+106%	840	\$91.92	\$37,498	\$77,213	+106%
99213	\$74.16	15,659	\$91.92	\$1,161,271	\$1,439,375	+24%	5,591	\$91.92	\$414,629	\$513,925	+24%
99214	\$109.44	16,878	\$91.92	\$1,847,128	\$1,551,426	-16%	14,643	\$91.92	\$1,602,530	\$1,345,985	-16%
99215	\$147.60	3,968	\$91.92	\$585,677	\$364,739	-38%	4,454	\$91.92	\$657,410	\$409,412	-38%

Scenario 1 represents a potential “worst case” scenario - there is no offsetting use of complexity/add-on codes. These are assessed in the next three scenarios. It is our understanding there is no ability to mitigate the impact for ophthalmologists because the add-on codes are not available to them; the estimated significant reduction in total payments for these physicians is unchanged in any of the other scenarios.

The 2019 structure and rates would result in lower reimbursement for most NOs, and especially the most active NOs for new patients and for all patients.

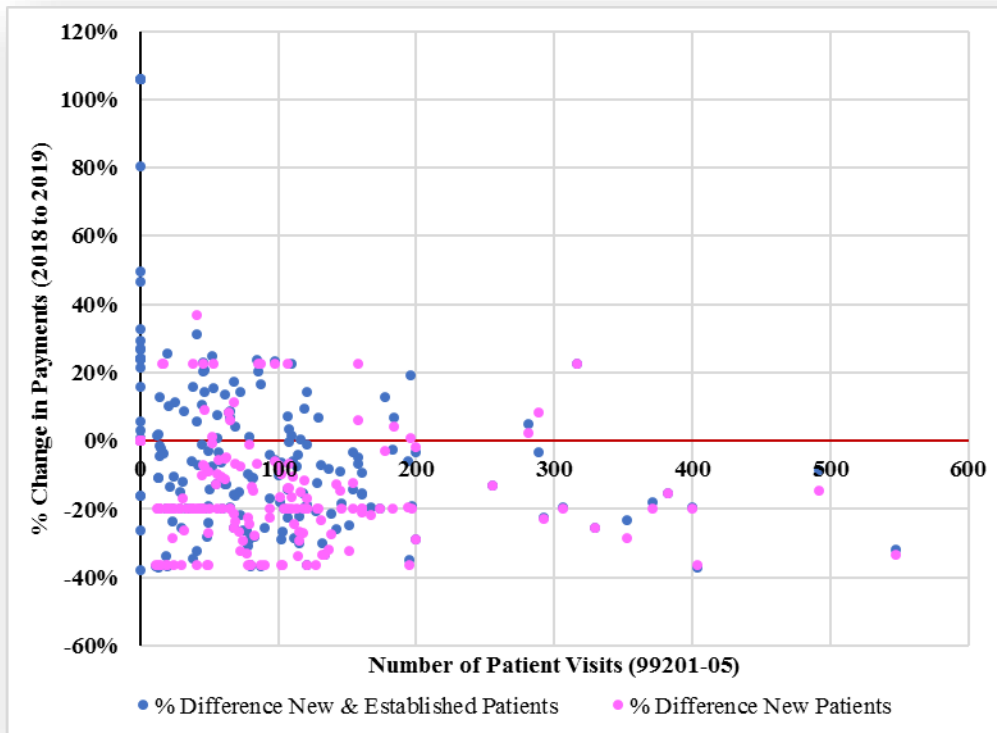
We evaluated the effect of the proposed changes set out in Scenario 1 at the individual physician level. The changes affect most individual NANOS physicians and especially the most active. These physicians practice in many different geographies and include Neurology and Ophthalmology, academic and private practice physicians. We present simple graphics that show the % reduction in payment between 2018 and 2019 for each NANOS physician for total patients (blue) and new patients (purple). We include all physicians in each graphic – the horizontal axis shows the total number of new patients per physician. It shows a large number of physicians with large numbers (sometimes hundreds) of Medicare visits even for new patients. It shows the systematic impact of the proposed changes – virtually all individual physicians and particularly the most active ones face reduced payments of up to 40%. The impact is significant for Neurology and also for the majority of Ophthalmology.⁷

Neuro-Ophthalmologists (Neurology): Percent Difference (2018 to 2019) in Payments to NANOS Physicians for New Patients and Total (New & Established)



Note: This sample includes all Neuro-Ophthalmologists (Neurology) with data for one or more E/M codes 99201 – 99215 in 2016 CMS Medicare Payments Data. Source: Centers for Medicare & Medicaid Services, Medicare Fee-for-Service Provider Utilization & Payments Data CY2016

Neuro-Ophthalmologists (Ophthalmology): Percent Difference (2018 to 2019) in Payments to NANOS Physicians for New Patients and Total (New & Established)



Note: This sample includes all Neuro-Ophthalmologists (Ophthalmologists) with data for one or more E/M codes 99201 – 99215 in 2016 CMS Medicare Payments Data. Source: Centers for Medicare & Medicaid Services, Medicare Fee-for-Service Provider Utilization & Payments Data CY2016

The new 2019 complexity (add-on) codes still result in estimated reduced reimbursement, even assuming they can readily be used and supported with documentation (and without new burden).

In order to evaluate whether use of the new add-on codes could in principle mitigate the impact of the E/M code structure and reimbursement changes, we ran three additional scenarios for Neurology NOs assuming that the codes could be used for E/M codes where the proposed 2019 reimbursements were below 2018 rates. We apply the new add-ons only for Neurology, so in each Scenario, the baseline 2019 estimated rates apply for Ophthalmology and the % reductions are unchanged. In each of the following Scenarios, we made assumptions about the proportion of new and established patients for which Neurology NOs could use each add-on code. For scenarios involving add-on codes with time requirements (Scenarios 3 and 4), we estimate only a portion of each of the new and established patient volumes shown for 4/5 E/M codes could use these add-on codes. We assume that physicians could use the alternative codes without any risk of audit or additional cost burden.

Scenario 2 uses the first complexity add-on, which would increase payments for 4/5 codes above the baseline 2019 rates (although still below 2018 rates for these codes). For purposes of evaluation, we assume this add-on code could be applied across all 4/5 visits. These result in lower % losses for

established and for new patients than for the baseline scenario, yet still very high % reduction for new and for total patients for Neurology. Thus, use of the complexity add-on that does not involve time constraints does not change the systematic negative impact on NOs estimated in Scenario 1.

Summary of Scenario 2: Applying E/M + GCG0X (complexity add-on) for visits to Neurologists with codes ending in 4 and 5 (2019 baseline payments for codes ending in 1, 2, and 3)

	2018 Payments	2019 Payments	% Difference
Total	\$10,853,588	\$9,910,462	-8.7%
New Patients	\$4,345,036	\$3,535,036	-18.6%
Established Patients	\$6,508,552	\$6,375,426	-2.0%

Details of Scenario 2: Applying E/M + GCG0X (complexity add-on) for visits to Neurologists with codes ending in 4 and 5 (2019 baseline payments for codes ending in 1, 2, and 3)

HCPCS Code	2018 Rate	Ophthalmology	2019 Rate	2018 Payments	2019 Payments	% Difference	Neurology	2019 Rate	2018 Payments	2019 Payments	% Difference
		58,674		\$6,702,224	\$6,123,365	-9%	33,546		\$4,151,364	\$3,787,097	-9%
		17,524		\$2,905,739	\$2,356,102	-19%	8,018		\$1,439,297	\$1,178,934	-18%
99201	\$45.26	0	\$43.26	\$0	\$0	-	0	\$43.26	\$0	\$0	-
99202	\$76.32	111	\$134.45	\$8,472	\$14,924	+76%	34	\$134.45	\$2,595	\$4,571	+76%
99203	\$109.80	3,276	\$134.45	\$359,705	\$440,458	+22%	618	\$134.45	\$67,856	\$83,090	+22%
99204	\$167.40	10,178	\$134.45	\$1,703,797	\$1,368,432	-20%	4,223	\$148.15	\$706,930	\$625,637	-11%
99205	\$210.60	3,959	\$134.45	\$833,765	\$532,288	-36%	3,143	\$148.15	\$661,916	\$465,635	-30%
		41,150		\$3,796,485	\$3,767,263	-1%	25,528		\$2,712,066	\$2,608,163	-4%
99211	\$21.96	218	\$21.99	\$4,787	\$4,794	+0%	0	\$21.99	\$0	\$0	-
99212	\$44.64	4,427	\$91.92	\$197,621	\$406,930	+106%	840	\$91.92	\$37,498	\$77,213	+106%
99213	\$74.16	15,659	\$91.92	\$1,161,271	\$1,439,375	+24%	5,591	\$91.92	\$414,629	\$513,925	+24%
99214	\$109.44	16,878	\$91.92	\$1,847,128	\$1,551,426	-16%	14,643	\$105.62	\$1,602,530	\$1,546,594	-3%
99215	\$147.60	3,968	\$91.92	\$585,677	\$364,739	-38%	4,454	\$105.62	\$657,410	\$470,431	-28%

Scenarios 3 and 4 apply the prolonged service add-on for 20% of visits at 4/5 codes new and established patients for Neurology for Scenario 3 and the *E/M + GCG0X + GPRO1* for Scenario 4. Given the minimum times required for these add-ons, we understand that only some proportion of current 4/5 visits could realistically use these add-on codes, and that 20% represents a realistic estimate. For the remaining 80% of visits with 4 and 5 codes, we apply the complexity-add code of *E/M + GCG0X* for higher payments than the baseline 2019 payments.

Under these assumptions, for either Scenario 3 or 4, while the estimated payments for established patients for all NOs increases by approximately 1%, the reduction in payments for new patients (a reduction of 17%) results in overall payments estimated to decline by approximately 6%. (We note that there is no change in the % reduction for Ophthalmology.)

Summary of Scenario 3: Applying E/M + GPR01 (prolonged service add-on) for visits to Neurologists with codes ending in 4 and 5 (2019 baseline payments for codes ending in 1, 2, and 3)

	2018 Payments	2019 Payments	% Difference
Total	\$10,853,588	\$10,194,728	-6.1%
New Patients	\$4,345,036	\$3,614,162	-16.8%
Established Patients	\$6,508,552	\$6,580,566	1.1%

Details of Scenario 3: Applying E/M + GPR01 (prolonged service add-on) for visits to Neurologists with codes ending in 4 and 5 (2019 baseline payments for codes ending in 1, 2, and 3)

HCPCS Code	2018 Rate	Ophthalmology	2019 Rate	2018 Payments	2019 Payments	% Difference	Neurology	2019 Rate	2018 Payments	2019 Payments	% Difference
		58,674		\$6,702,224	\$6,123,365	-9%	33,546		\$4,151,364	\$4,071,363	-2%
		17,524		\$2,905,739	\$2,356,102	-19%	8,018		\$1,439,297	\$1,258,060	-13%
99201	\$45.26	0	\$43.26	\$0	\$0	-	0	\$43.26	\$0	\$0	-
99202	\$76.32	111	\$134.45	\$8,472	\$14,924	+76%	34	\$134.45	\$2,595	\$4,571	+76%
99203	\$109.80	3,276	\$134.45	\$359,705	\$440,458	+22%	618	\$134.45	\$67,856	\$83,090	+22%
99204	\$167.40	10,178	\$134.45	\$1,703,797	\$1,368,432	-20%	4,223	*	\$706,930	\$671,001	-5%
99205	\$210.60	3,959	\$134.45	\$833,765	\$532,288	-36%	3,143	*	\$661,916	\$499,398	-25%
		41,150		\$3,796,485	\$3,767,263	-1%	25,528		\$2,712,066	\$2,813,303	+4%
99211	\$21.96	218	\$21.99	\$4,787	\$4,794	+0%	0	\$21.99	\$0	\$0	-
99212	\$44.64	4,427	\$91.92	\$197,621	\$406,930	+106%	840	\$91.92	\$37,498	\$77,213	+106%
99213	\$74.16	15,659	\$91.92	\$1,161,271	\$1,439,375	+24%	5,591	\$91.92	\$414,629	\$513,925	+24%
99214	\$109.44	16,878	\$91.92	\$1,847,128	\$1,551,426	-16%	14,643	*	\$1,602,530	\$1,703,889	+6%
99215	\$147.60	3,968	\$91.92	\$585,677	\$364,739	-38%	4,454	*	\$657,410	\$518,276	-21%

*Instead of using a single rate, payments were estimated by applying the E/M + GPR01 rate to 20% of 992X4 and 992X5 visits and the E/M + GCG0X rate to the remaining 80%.

Summary of Scenario 4: Applying E/M + GCG0X + GPRO1 for visits to Neurologists with codes ending in 5 (and applying E/M + GCPR01 for visits to Neurologists ending in 4)

	2018 Payments	2019 Payments	% Difference
Total	\$10,853,588	\$10,215,543	-5.9%
New Patients	\$4,345,036	\$3,622,773	-16.6%
Established Patients	\$6,508,552	\$6,592,770	1.3%

Details of Scenario 4: Applying E/M + GCG0X + GPR01 for visits to Neurologists with codes ending in 5 (and applying E/M + GCPR01 for visits to Neurologists ending in 4)

HCPCS Code	2018 Rate	Ophthalmology 2019 Rate	2018 Payments	2019 Payments	% Difference	Neurology 2019 Rate	2018 Payments	2019 Payments	% Difference
		58,674	\$6,702,224	\$6,123,365	-9%	33,546	\$4,151,364	\$4,092,178	-1%
		17,524	\$2,905,739	\$2,356,102	-19%	8,018	\$1,439,297	\$1,266,672	-12%
99201	\$45.26	0	\$0	\$0	-	0	\$0	\$0	-
99202	\$76.32	111	\$8,472	\$14,924	+76%	34	\$2,595	\$4,571	+76%
99203	\$109.80	3,276	\$359,705	\$440,458	+22%	618	\$67,856	\$83,090	+22%
99204	\$167.40	10,178	\$1,703,797	\$1,368,432	-20%	4,223	*\$706,930	\$671,001	-5%
99205	\$210.60	3,959	\$833,765	\$532,288	-36%	3,143	**\$661,916	\$508,009	-23%
		41,150	\$3,796,485	\$3,767,263	-1%	25,528	\$2,712,066	\$2,825,507	+4%
99211	\$21.96	218	\$4,787	\$4,794	+0%	0	\$0	\$0	-
99212	\$44.64	4,427	\$197,621	\$406,930	+106%	840	\$37,498	\$77,213	+106%
99213	\$74.16	15,659	\$1,161,271	\$1,439,375	+24%	5,591	\$414,629	\$513,925	+24%
99214	\$109.44	16,878	\$1,847,128	\$1,551,426	-16%	14,643	*\$1,602,530	\$1,703,889	+6%
99215	\$147.60	3,968	\$585,677	\$364,739	-38%	4,454	**\$657,410	\$530,480	-19%

*Instead of using a single rate, payments were estimated by applying the E/M + GPR01 rate to 20% of 992X4 visits, the E/M + GCG0X + GPR01 rate to 20% of 992X5 visits, and the E/M + GCG0X rate to the remaining 80% of 4/5 visits.

Only under the highly unrealistic assumption that Neurology NOs could use the time-constrained add-on codes **across all patients** with 4/5 codes does the CMS proposed change not result in significant reductions. In addition, the time conditions involved in use of these complexity codes indicate there could be a reduction in the total number of Medicare patients (or other patients) that could be seen relative to current practice. We’ve been advised that use of these complexity-add on codes even for 20% of patients involves additional time that otherwise would be spent on new or established patient visits, thereby reducing the overall number of patients that can be seen for new or established visits. We understand that this involves approximately a 10% reduction in access/productivity. To put this in context using available 2016 Medicare data for Neurology NOs, the estimate decrease is about 3400 fewer patient visits. If these codes were to apply similarly for all NOs, the estimated reduction would be 9300 patient visits.

Conclusion - The Proposed Changes by Substantially Reducing Reimbursements from 2018 Levels Could Potentially Adversely Affect Access and Patients

The analysis shows that the proposed changes will affect the most active NANOS/NO physicians and across the broad spectrum of NOs. Any adverse effects will not be limited to a few geographies or a few physicians but rather across all major programs and geographies – and will thereby affect patients and departments/practices across the country. The scenarios and graphics demonstrate the prevalence of 4/5 E/M code usage and illustrate the breadth and proportion of NOs that could be adversely affected by significant changes in the proposed code structure. This is particularly the case for new patients.

The beneficiary analyses show that the majority of Medicare patients seen by NOs are for complex care and are sicker patients. Thus, any substantial reduction in reimbursement for 4/5 codes relative to 2018 levels could translate into material changes in departments or physician availability and thus could adversely affect access and patients seen by NOs. The analysis of individual physicians shows that this is not geographically isolated but would affect many geographies and large patient populations. Use of the time-constrained add-on codes could also reduce the total number of beneficiaries or patients that could be seen per day, thereby affecting patient access further. **Thus, even assuming that extended time codes are available to all neuro-ophthalmologists, these effects would worsen any existing patient access problems.**

¹ In prior work with NANOS, we developed a database of approximately 350 U.S. NANOS members by specialty. We developed statistics on E/M codes for new and established patients for NANOS members relative to non-NANOS neurologists and ophthalmologists and for primary care physicians. Our prior work compiled data from the Medicare Payments data for E/M codes by office visits 99201-05, and 99211-15 for NANOS physicians. For this project, we use the same NANOS database with updated data for 2015 for 2016 (2017 data are not yet available). Data are sourced from the Centers for Medicare & Medicaid Services, Medicare Fee-for-Service Provider Utilization & Payments Data CY2016, downloaded June 2018 from: <https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/Medicare-Provider-Charge-Data/Physician-and-Other-Supplier2016.html>

² The data from the Centers for Medicare & Medicaid Services, Medicare Fee-for-Service Provider Utilization & Payments Data for each physician “includes data for providers that had a valid NPI and submitted Medicare Part B non-institutional claims (excluding DMEPOS) during the 2012 through 2016 calendar years.” In some cases, data are not reported for an individual physician and are reported as a zero for any code where the total number of beneficiaries served was low (10 or fewer):” To protect the privacy of Medicare beneficiaries, any aggregated records which are derived from 10 or fewer beneficiaries are excluded from the Physician and Other Supplier PUF.” As a result, data for an individual (NANOS) physician will report actual data for visits (services) for any given E/M code (e.g. 99201 through 99215) where the physician had more than 10 unique beneficiaries for that E/M code; otherwise visit data is reported as a blank or zero. As a result, the total count of visits per E/M code will somewhat understate the total actual number of visits for an individual physician and for the total sample. Review of the data compiled in the complete dataset of all NANOS physicians, visits (services), beneficiaries and payments shows that this primarily affects 01 codes and for some individual physicians new or established patient codes where the physician has overall lower numbers of beneficiaries and patients visits. The results reported in this analysis are not sensitive to inclusion or exclusion of physicians with limited data for one or more codes.

³ We made use of payment data per code and proposed rate structure for 2018 and 2019 found at the AAN website. According to these, there will remain a 99201 and a 99211 code reimbursed at a rate somewhat below the 2018 rate. The AAN schedule and description is at (<https://www.aan.com/siteassets/home-page/tools-and-resources/practicing-neurologist--administrators/billing-and-coding/medicare-fee-for-service/em-2019-proposed-value-changes-002.pdf>). We have not independently validated these payment estimates.

⁴ Based on review of AAN schedules, these add-on codes (if applicable) would provide higher reimbursement exceeding 2018 reimbursement for 3 and 4 codes (and only one would exceed 2018 payments for 5 codes). Some of these new codes list required times (54-62 min for new and 47-56 min for established) to support code use; which we understand could affect the total number of patients that could be seen per day. (See, <https://www.aan.com/siteassets/home-page/tools-and-resources/practicing-neurologist--administrators/billing-and-coding/medicare-fee-for-service/em-2019-proposed-value-changes-002.pdf>.) We understand that use of these codes may involve greater (yet unclear) documentation burden to support use of codes relative to documentation required currently to support codes such as 4 and 5 codes.

⁵ “We recognize that complexity modifiers have been included to recognize these disparities. However, the proposed changes allow our neurologist members, but not ophthalmologists (2/3 of US neuro-ophthalmologists have their primary training in ophthalmology), to use these modifier codes.” See NANOS letter to Seema Verma, July 27, 2018.

⁶ Our analysis was replicated for 2015 and showed consistent results with 2016.

⁷ The proposed reimbursement changes and new documentation/time requirements could disproportionately affect the most active private practice and academic neuro-ophthalmologists that predominantly have new and established patients at 4 and 5 codes. These physicians account for a large volume of Medicare beneficiaries.

The principal authors of this study are Jeremy Nighohossian Ph.D., Managing Director and Margaret E. Guerin-Calvert, President and Senior Managing Director, Center for Healthcare Economics and Policy, a separate business unit in the Economics Practice of FTI Consulting, Inc. with assistance from Rosemary Rhodes. (Guerin-Calvert is also Senior Consultant, Compass Lexecon, a wholly owned subsidiary of FTI Consulting, Inc.). The views and opinions presented are solely those of the authors and do not necessarily reflect the views of FTI Consulting, Inc. or other organizations with which the authors are or have been affiliated.



EXPERTS WITH IMPACT™

About FTI Consulting

FTI Consulting is an independent global business advisory firm dedicated to helping organizations manage change, mitigate risk and resolve disputes: financial, legal, operational, political & regulatory, reputational and transactional. FTI Consulting professionals, located in all major business centers throughout the world, work closely with clients to anticipate, illuminate and overcome complex business challenges and opportunities. For more information, visit www.fticonsulting.com and connect with us on Twitter (@FTIConsulting), Facebook and LinkedIn.

www.fticonsulting.com

©2017 FTI Consulting. All rights reserved.