

The Hawthorn

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2018 Medicare Physician Fee Schedule Final Rule by Stan Hosler

The 2018 Medicare Physician Fee Schedule Final Rule was posted on November 2, 2017 on the website of the Centers for Medicare and Medicaid Services (CMS). This final rule updates policies and payment rates for the Medicare Physician Fee Schedule (PFS), and provides additional comments related to misvalued codes and new policies.

The Newsroom tab on the CMS website (www.cms.gov) includes a media release fact sheet that recaps the main provisions of the final rule. A link to the fact sheet is provided at the end of this article. Additionally, two highlights from the final rule are described below. Both of these topics had generated a number of comments from healthcare professionals since CMS posted its proposed rule earlier in 2017.

AUC mandate extended. CMS extended the effective date for appropriate use criteria (AUC) for advanced diagnostic imaging services from 2019 to January 1, 2020. Full implementation of the appropriate use criteria program is slated to begin in 2021, with 2020 being a year for testing and education. CMS had received numerous comments about the ramp up time required for implementation.

Conversion Factor increased. Medicare payments are based on relative value units (RVUs) for each medical service, and CMS applies an annual conversion factor (CF) to translate RVUs to billable amounts. For 2018 the conversion factor will be \$35.99, a 0.41 percent increase from \$35.89 in 2017. This increase is in line with the 0.50 percent annual increase established under MACRA, but reduced by 0.09 percent due to the misvalued code target capture amount.

Following the release of the final rule, Tom Nickels, Executive Vice President of the American Hospital Association (AHA) issued a statement that read, in part: "With respect to physician Services, the AHA is pleased that CMS implemented a further delay in implementation, until January 1, 2020, of appropriate use criteria for advanced diagnostic imaging to allow providers sufficient time to understand and implement the program's requirements."

Link for the CMS Fact Sheet:

<https://www.cms.gov/Newsroom/MediaReleaseDatabase/Fact-sheets/2017-Fact-Sheet-items/2017-11-02.html>



Addressing Complexity with Certainty