

Physician Practice Information Survey (PPIS) and Radiation Oncology

CMS recently proposed to use the new AMA PPIS data in the Medicare reimbursement formula to determine payment starting January 1, 2010. Use of these new PPIS data is yielding significant redistributive effects in specialties, ranging from +12 percent to -24 percent. These unpredictable shifts in Medicare payment are devastating to medical practices.

Expenses Rise While Payments Fall

For radiation oncology, the PPIS data revealed an increase in the radiation oncology practice expense per hour – demonstrating that the costs for radiation oncologist practices have increased since the radiation oncology practice expense supplemental survey was conducted. However, due to the complicated CMS practice expense methodology, payments are scheduled to be decreased by an average of 19 percent, with some services being reduced by more than 40 percent.

Precision of Data Variable

In the past, the Balanced Budget Refinement Act of 2009 required CMS to establish criteria for accepting supplemental survey data, requiring certain precision levels be met in order to ensure that the supplemental data was sufficiently valid. The radiation oncology data currently being used by CMS (i.e. for CY2009) was collected through that process and adhered to those strict precision requirements. However, the new PPIS data are not being held to the longstanding precision requirements:

CMS “does not believe similar precision requirements are necessary and are not proposing to establish them for the use of the PPIS data.” (74 Fed. Reg., 33531)

60-Day Comment Period Inadequate

In addition, specialties do not have access to the PPIS data, only summary data. No detailed data is available for analysis. Also, the time frame established by CMS (60-day comment period) does NOT constitute adequate time to analyze the data, simulate the CMS methodology, address any data issues, propose solutions and prepare RO practices for the impending devastation.

Large Cuts without Transition Contrary to CMS Policy

In the past, CMS has allowed for a transition period for significant shifts in PE RVUs:

“[t]he shifts in some of the PE RVUs resulting from the immediate implementation of our proposals could potentially cause some disruption for medical practices. Therefore, we are proposing to transition the proposed PE changes over a 4-year period.” (71 Fed. Reg., 37252)

However, CMS did not propose any transition period for the cuts envisioned to the proposed 2010 Medicare physician fee schedule.