

2019 Medicare Physician Fee Schedule

Final Rule Summary

On November 1, 2018, the Centers for Medicare & Medicaid Services (CMS) issued the Medicare Physician Fee Schedule (PFS) [final rule](#), scaling back several proposed cuts based on ASTRO's comments. The final rule estimates a 1 percent payment cut to radiation oncology in 2019, down from a proposed 2 percent cut for the specialty.

The final rule updates the payment policies, payment rates, and quality provisions for services furnished under the MPFS effective January 1, 2019. The MPFS pays for services furnished by physicians and other practitioners in all sites of service. These services include visits, surgical procedures, diagnostic tests, therapy services, specified preventative services and more. Payments are based on the relative resources typically used to furnish the service. Relative value units (RVUs) are applied to each service for physician work, practice expense and malpractice. These RVUs become payment rates through the application of a conversion factor, which is updated annually.

MPFS Impact Table

The MPFS Impact Table shows the estimated impact on total allowed charges by specialty of all the RVU changes. In the proposed rule, CMS proposed significant modifications to pricing for Direct Practice Expense Inputs for supplies and equipment, as well as a new coding and valuation system for Evaluation and Management Codes, that would have resulted in a 2 percent rate reduction for radiation oncology services. In response to concerns expressed by ASTRO, the final rule modified several important proposals, which reduces the overall impact to a 1 percent reduction.

Table 94: CY 2019 PFS Estimated Impact on Total Allowed Charges by Specialty

Specialty	Allowed Charges (mil)	Impact of Work RVU Changes	Impact of PE RVU Changes	Impact of MP RVU Changes	Combined Impact
Total	\$92,723	0%	0%	0%	0%
Radiation Oncology and Radiation Therapy Centers	\$1,765	0%	0%	0%	-1%

Conversion Factor/Target

The MPFS conversion factor, based on the final 2019 rates, is set at \$36.04, a slight increase over the 2018 rate of \$35.99. This update reflects the update adjustment factor of 0.25 percent as required by the Bipartisan Budget Act of 2018 and a -0.14 percent RVU budget neutrality adjustment.

Proposed Update to Direct Practice Expense Inputs for Supply and Equipment Pricing

CMS finalized its decision to update the Direct Practice Expense (PE) inputs for 1300 supplies and 750 equipment items, including 22 key equipment items related to radiation oncology. To address significant changes in payment, CMS will phase in the new direct PE inputs over a four-year period.

The following chart details those radiation oncology equipment items that were proposed to experience the greatest decline in reimbursement as a result of this new policy. ASTRO opposed these proposed changes and helped to mitigate some of the proposed reductions. However, these reductions will have an impact on the Direct Practice Expense inputs of several codes, most notably a 7 percent decline in practice expense inputs for CPT code 77373 SBRT Treatment Delivery, which compares to a 17% reduction in the proposed rule.

	2018 Price	Proposed 2019 Price	Proposed % Change	Final 2019 Price	Final % Change '18-'19
ED033 Treatment Planning System, IMRT (Corvus w- Peregrine 3D Monte Carlo)	\$350,545	\$157,393	-55%	\$197,247	-44%
ER003 HDR Afterload System, Nucletron - Oldelft	\$375,000	\$111,426	-70%	\$132,575	-65%
ER083 SRS System, SBRT, Six Systems, Average	\$4,000,000	\$931,965	-77%	\$2,973,722	-26%
ES052 Brachytherapy Treatment Vault	\$175,000	\$134,998	-23%	\$193,114	10%

ASTRO urges radiation oncology practices to pay close attention to the equipment prices set by Medicare in this final rule, as these prices will play a pivotal role in how CMS reimburses for treatments performed on this equipment. The chart at the end of this summary provides a list of Medicare’s price for every piece of radiation therapy equipment.

Evaluation and Management Code (E/M) Modifications

CMS is finalizing changes to reduce the administrative burden associated with documenting office evaluation and management (E/M) services. However, the Agency is delaying other proposed changes to E/M coding and payment until 2021, which is a move consistent with

recommendations made by ASTRO, the AMA, and other medical specialties.

For 2019 and 2020, CMS will continue the current coding and payment structure for E/M office visits. Physicians may continue to use either the 1995 or 1997 E/M documentation guidelines to document office visits. Modifications to the E/M documentation requirements that are designed to reduce administrative burden include:

- Physicians may focus documentation on what has changed since the patient's last visit, or on pertinent items that have not changed, rather than re-record the list of required elements if there is evidence that the previous information was reviewed and updated as appropriate.
- Physicians do not need to re-enter the patient's chief complaint and history that has already been entered by ancillary staff or the Medicare beneficiary. The physician may simply indicate in the medical record that they have reviewed and verified this information.
- CMS is also removing duplicative notation requirements in medical records that may have previously been included by residents or other members of the medical team.

Effective January 1, 2021, CMS will move forward with additional modifications to E/M payment, coding and documentation requirements. Payment for E/M services will be simplified, but also vary based on attributes that do not require separate, complex, documentation. The Agency will also institute add-on codes to describe additional resources associated with primary care visits, specialty care, and prolonged visits.

Potential Alternative Payment Model for Radiation Therapy

The final rule strongly indicated forward momentum on the development of a Radiation Oncology Alternative Payment Model (RO-APM). The rule highlighted the CMS Office of Innovation [report](#) to Congress in November 2017, noting that radiation oncology is a “promising” area of health care for bundled payment. ASTRO appreciates the rule's nod to a RO-APM and looks forward to working with the agency to ensure radiation oncology can participate fully in value-based care.

CPT Code 77401 Radiation Treatment Delivery, Superficial and/or Orthovoltage, per day

In the 2019 MPFS proposed rule, CMS sought stakeholder input regarding whether it would be appropriate to create multiple G-codes specific to services associated with Superficial Radiation Therapy (SRT). Despite a significant amount of stakeholder input, including from ASTRO, the Agency did not make any policy changes in the final rule. CMS reiterated that CPT guidance allows E/M codes to be billed with 77401, when appropriate, which is the current method for billing professional work associated with SRT.

The rule also includes important changes to the Quality Payment Program, and ASTRO will summarize these provisions in coming weeks.

[Register](#) now for ASTRO's Final Rules [webinar](#) on Wednesday, December 5 at 1:00 p.m. ET. The webinar will cover final decisions impacting radiation oncology, including the G codes for treatment delivery and image guidance, found in the 2019 Medicare Physician Fee Schedule and Hospital Outpatient Prospective Payment System final rules.

Additional information about the final 2019 MPFS can be found at the following links:

To view the CY 2019 Physician Fee Schedule final rule, please visit: <https://s3.amazonaws.com/public-inspection.federalregister.gov/2018-24170.pdf>

For a fact sheet on the CY 2019 Physician Fee Schedule final rule, please visit: <https://www.cms.gov/newsroom/fact-sheets/final-policy-payment-and-quality-provisions-changes-medicare-physician-fee-schedule-calendar-year>

Radiation Therapy Practice Expense Equipment Input Prices (2019-2022)

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CMS CODE	Description	CMS Current Price	Recommended Price	2019 Price	2020 Price	2021 Price	2022 Price
ER090	Computer system, record and verify, IMRT	\$149,027	\$158,934	\$151,504	\$153,980	\$156,457	\$158,934
ED041	MLC shaper	\$144,912	\$144,912	\$144,912	\$144,912	\$144,912	\$144,912
ER003	HDR Afterload System, Nucletron - Oldelft	\$375,000	\$132,575	\$314,394	\$253,787	\$193,181	\$132,575
ED014	computer workstation, 3D reconstruction CT-MR	\$45,926	\$80,004	\$54,445	\$62,965	\$71,484	\$80,004
ER006	IMRT physics tools	\$78,600	\$78,600	\$78,600	\$78,600	\$78,600	\$78,600
ER051	phantom, water, includes remote motor drive	\$3,070	\$77,736	\$21,736	\$40,403	\$59,069	\$77,736
ER040	laser, diode, for patient positioning (Probe)	\$18,160	\$77,479	\$32,990	\$47,820	\$62,649	\$77,479
ER096	linear detector array	\$31,004	\$65,533	\$39,636	\$48,269	\$56,901	\$65,533
ER084	T&O Applicator Set	\$57,652	\$57,652	\$57,652	\$57,652	\$57,652	\$57,652
ER060	source, 10 Ci Ir 192	\$45,326	\$45,326	\$45,326	\$45,326	\$45,326	\$45,326
EQ250	ultrasound unit, portable	\$29,999	\$41,613	\$32,902	\$35,806	\$38,709	\$41,613
ER030	film dosimetry equipment-software (RIT)	\$30,840	\$30,840	\$30,840	\$30,840	\$30,840	\$30,840
EF021	table, brachytherapy treatment	\$28,900	\$28,900	\$28,900	\$28,900	\$28,900	\$28,900
ER085	Vag Applicator Set	\$27,553	\$27,553	\$27,553	\$27,553	\$27,553	\$27,553
ED031	printer, dye sublimation (photo, color)	\$2,323	\$22,474	\$7,360	\$12,398	\$17,436	\$22,474
ER055	radiation therapy dosimetry software (Argus QC)	\$21,000	\$21,000	\$21,000	\$21,000	\$21,000	\$21,000
ER061	stepper, stabilizer, template (for brachytherapy treatment)	\$18,550	\$18,550	\$18,550	\$18,550	\$18,550	\$18,550
ER028	electrometer, PC-based, dual channel	\$5,675	\$13,526	\$7,638	\$9,600	\$11,563	\$13,526
ER050	phantom, solid water calibration check	\$2,110	\$13,107	\$4,859	\$7,608	\$10,358	\$13,107
ER065	water chiller (radiation treatment)	\$25,656	\$9,847	\$21,704	\$17,752	\$13,799	\$9,847
EQ373	Applicator (TPV - 200) / Kit	\$9,770	\$9,770	\$9,770	\$9,770	\$9,770	\$9,770
EQ376	Knee wedge/foot block system	\$3,290	\$9,147	\$4,754	\$6,218	\$7,683	\$9,147

Radiation Therapy Practice Expense Equipment Input Prices (2019-2022)

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CMS CODE	Description	CMS Current Price	Recommended Price	2019 Price	2020 Price	2021 Price	2022 Price
ER013	calibration (AAPM ADCL), ion chamber	\$500	\$500	\$500	\$500	\$500	\$500
ED004	camera, digital (6 mexapixel)	\$946	\$152	\$748	\$549	\$351	\$152