

# **MEDICAL PHYSICS ECONOMICS UPDATE**

**AAPM Annual Meeting**

**July 2015**

**Blake Dirksen and Jonas Fontenot**

# THE PEC

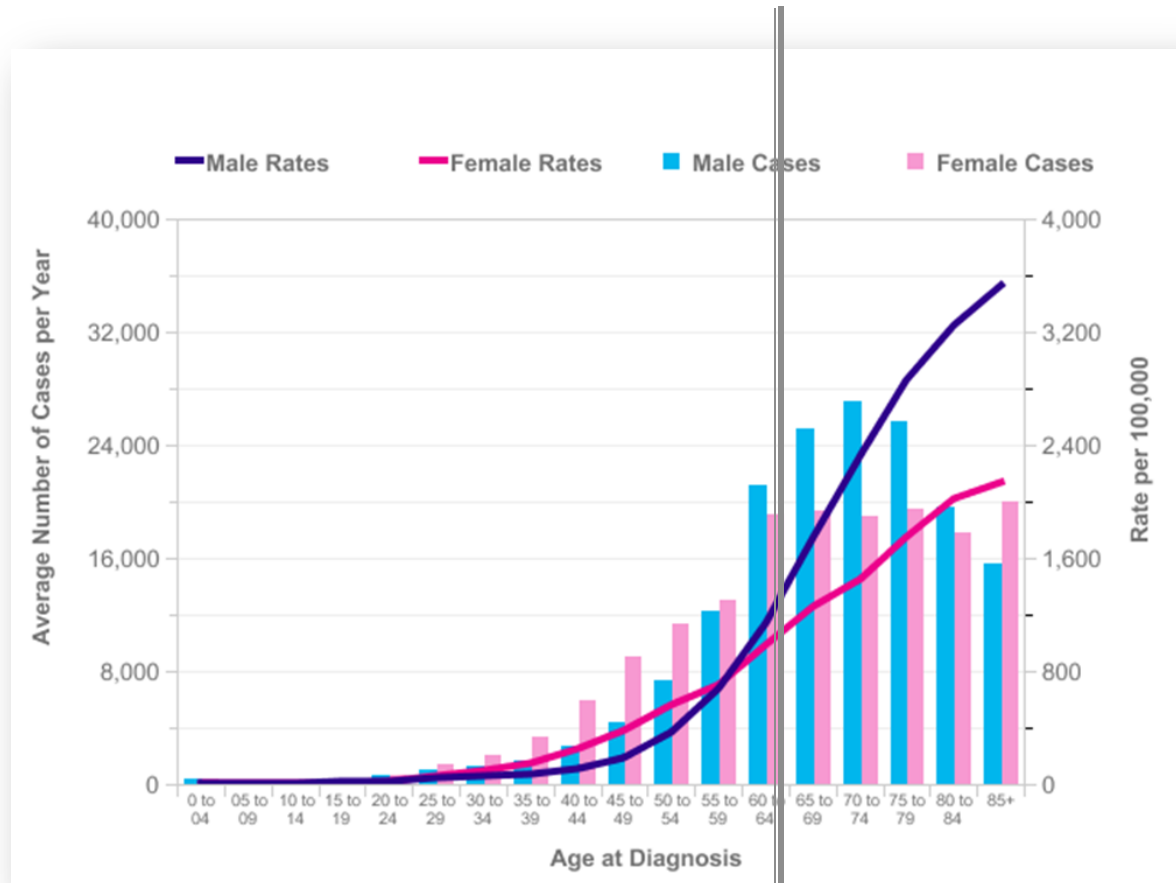
## **Purpose**

*Monitor and analyze the activities of entities that influence reimbursement for medical physics services, advise the Association on the formal positions it should take on related issues, and provide information to the membership and other organizations.*

## **Activities/ Responsibilities**

- Review the proposed actions of CMS and other reimbursement agencies
- Review guidelines that relate to the use of CPT codes and their implementation
- Ensure coordination between the activities of the AAPM and those of related organizations
- Work with related organizations to develop consistent responses to proposals and issues of mutual concern
- Provide information to the membership through existing channels within the AAPM
- Provide information to other organizations regarding reimbursement for professional medical physics services.

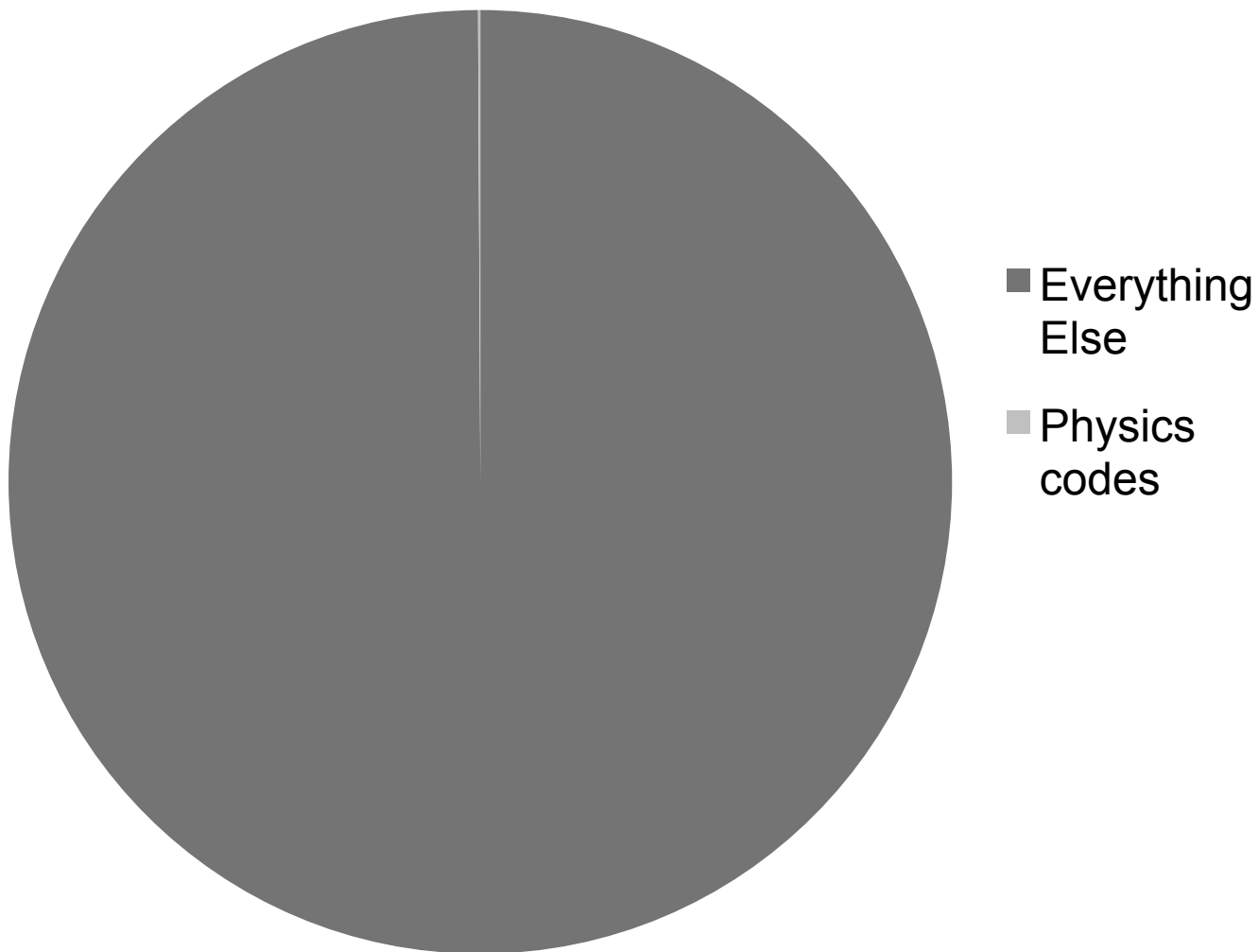
# MEDICARE AND CANCER



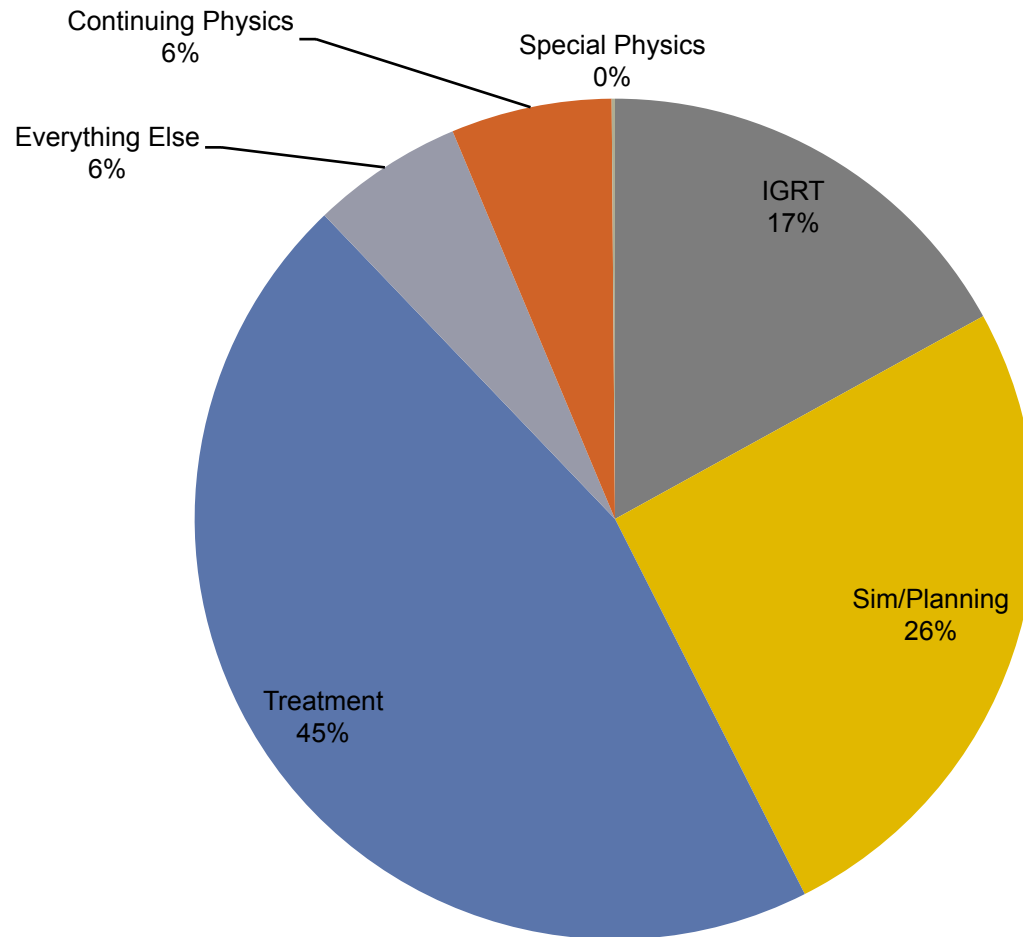
Pre Medicare Eligible

Post Medicare Eligible

## Physics Codes in Medicare Part B



# CHARGE MASTER BREAKDOWN



## Reimbursement has two components:

- “Professional” means physician
- “Technical” means everything else

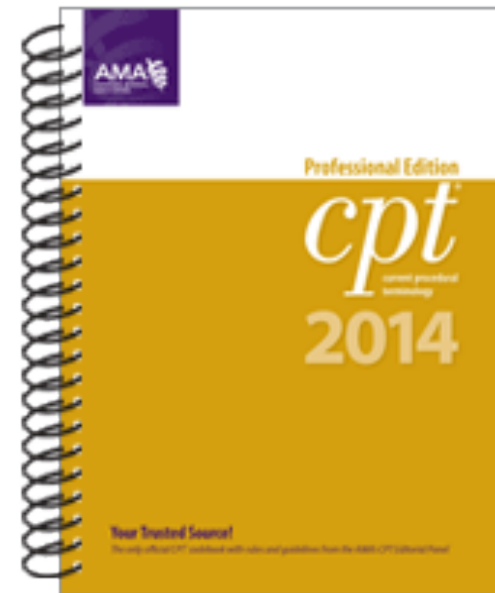
*Physician-owned practices bill a “global” fee that includes both professional and technical*

|               | Technical | Professional |
|---------------|-----------|--------------|
| Hospital      | HOPPS     | MPFS         |
| Free Standing | MPFS      | MPFS         |
|               |           |              |
|               |           |              |
|               |           |              |
|               |           |              |

# CPT<sup>®</sup> CODES

## Current Procedural Terminology (CPT<sup>®</sup>)

- Listing of descriptive terms/ identifying codes for reporting of medical services and procedures
- Published by American Medical Association (AMA); copyrighted
- Updated Yearly
- Nearly 10,000 codes
- Anyone can apply for a code





# HOPPS

## **Under HOPPS, CPT codes are grouped into Ambulatory Payment Classifications (APCs)**

- CPT codes within an APC are similar clinically and in resources required
- Each APC is assigned reimbursement level; all codes within APC receive same payment

# **HOPPS**

**CMS looks at hospital outpatient claims (bills) from 2 years prior (2 year data lag)**

**Reduces hospital charges to cost using cost-to-charge ratios (CCR) obtained from reported hospital data**

**Calculates geometric mean costs for each APC**

***Rate setting is based on claims data. Therefore more radiation oncology claims for rate setting ensures more appropriate & stable payment rates!***

***Correct coding impacts everyone!***

# HOPPS: PACKAGING

**Packaging: A procedure/service is considered to be ancillary and cost is paid as part of another code that is considered the primary procedure/service**

- Packaged codes are not paid separately
- Packaged codes should still be reported
- 12 categories of codes considered to be ancillary

# **HOPPS: PACKAGING**

**For 2016 Rad Onc's 6 IGRT codes will remain packaged (considered "guidance services") – no separate payment**

# **PACKAGED VS BUNDLED**

**2016 HOPPS**

**IGRT for 3D is packaged: still bill it**

**IGRT for IMRT is bundled: don't bill it**

# **TIPS FOR THE CLINICIAN**

- **Beware vendor coding recommendations**
- **Don't hinge your capitol purchase pitch on coding**
- **Broad scope of our impact, not just chart checks**
- **We are not coders. Engage in the discussion, but be aware of role**
- **Work drives coding, coding doesn't drive work**

# RESOURCES

- AAPM Government Affairs Tab on the AAPM website
- The ASTRO Coding Guide
- Reach out to us

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