What Factors In New Health Care System Affect Reimbursement: How Can These Be Modified To Improve Vascular Surgeons’ Incomes

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Overview

• Professional
  – CPT coding changes and valuation
  – MACRA
    • MIPS
    • APM
    • ACO

• Medical Center
  – Service line

STEP 1: Resource for Valuation!

• RUC and CMS
  – Charged with maintenance of value for procedures
• Rely on Vascular Surgeons input…
  – Please complete the surveys!
  – Typical case, typical time and typical difficulty
• Not every case is your hardest
• Now is not the time to Brag!!
• Do not exaggerate

Continued Efforts

CPT Code 2016 Value RUC CMS % Change
36901 3.72 3.36 2.82 24.19%
36902 7.5 4.83 4.24 16.94%
36903 8.15 6.39 5.12 20.48%
36904 8.06 6.73 5.85 28.22%
36905 8.06 6.73 5.85 28.22%
36906 11.75 10.42 9.88 15.91%
36907 5.64 3 2.48 50.09%
36908 6.29 4.25 3.73 40.70%
36909 9.00 4.12 3.48 61.33%

STEP 2: Know Coding Changes

• Endovascular Aneurysm Repair (EVAR)
  – 15 new codes
• Vein Treatment
  – Noncompounding sclerosant
  – Endovenous mechanicochemical
  – Endovenous chemical adhesive
STEP 3: New Systems Impact Physician Payment

- KNOW YOUR PARTICIPATION SYSTEM
  - Merit-Based Incentive Payment System (MIPS)
  - Alternative Payment model (APM)
  - Accountable Care Organizations (ACO)

(MIPS)
Automatic Default!

- Performance-based payment adjustment (CMS)
- Streamlines PQRS, VBM, and MU
  - + Clinical Improvement and Innovation and resource utilization
- 4 criteria
  1. Quality
  2. Clinical Practice Improvement
  3. Advancing Care Information (MU/EHR)
  4. Resource Use (COST)

Composite Performance Score

Alternative Payment Model

Alternative Payment Models

- None for Vascular Surgery...YET!
  - SVS working to create for Chronic Critical Limb Ischemia

- In Advanced APM, participants will earn 5% incentives if:
  - 25% of Medicare part B payments or 20% of your Medicare patients are enrolled
  - Can apply to a specific condition, care episode, population
Episode of Care Field Testing

- Episode-Based CMS Cost Measure Development for the Quality Payment Program
  - Revascularization for Lower Extremity Chronic Critical Limb Ischemia

Many Programs

ACO Quality Measures

Financial Affects

Medical Center

Alignment and Partnership with Medical Institution
Documentation is imperative to reimbursement and quality metrics:
Hospital Inpatient Quality Report (IQR) and Hospital Compare

More Than Just Money...BUT Money is affected
Hospital Compare

Risk Adjustment Variables
- Case mix differences
- CMI: Case Mix Index

Episode of Care

2016 Condition-Specific Measures Updates and Specifications Report
Hospital-Level 30-Day Risk-Standardized Mortality Measures
2016 Measure Updates and Specifications Report
Hospital-Level Risk-Standardized Payment Measures

The measures adjust for case mix differences among hospitals based on the clinical status of the patient at the time of the index admission. Therefore, to determine how the patient at that time, or in the 12 months prior, and not complications that arise during the course of the hospitalization, are included in the risk adjustment.

Service Line
Risk-Adjustment Variable

Infragluteal Procedures

<table>
<thead>
<tr>
<th>Pre-initiative (n=272)</th>
<th>Post-initiative (n=226)</th>
<th>p-value</th>
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</thead>
<tbody>
<tr>
<td>Total direct cost ($)</td>
<td>13,379 (5850)</td>
<td>0.09</td>
</tr>
<tr>
<td>Base rate payment ($)</td>
<td>13,796 (3095)</td>
<td>&lt;.0001</td>
</tr>
<tr>
<td>Total actual payments ($)</td>
<td>19,909 (6453)</td>
<td>&lt;.0001</td>
</tr>
<tr>
<td>Contribution margin ($)</td>
<td>6,650 (5059)</td>
<td>0.05</td>
</tr>
</tbody>
</table>

Documentation Improvement Increase in Contribution Margin without significant change in Cost

$1.23 million (for the same patient population)

More Resources and Support!

Going Forward

- Active participants in regulations and reimbursement
  - Complete SVS and RUC Surveys
  - Bring reimbursement issues to SVS attention
- Big Picture
  - Financials
    - Physician and Medical Institution
  - Quality

THANK YOU