



## **The RUC Relativity Assessment Workgroup Progress Report**

In 2006, the RUC established the Five-Year Identification Workgroup (now referred to as the Relativity Assessment Workgroup) to identify potentially misvalued services using objective mechanisms for reevaluation prior to the next Five-Year Review. The RUC formed this Workgroup in response to criticisms that, despite reducing the work RVUs for nearly 400 services in the past, the process contains “bias in the 5-year review in favor of undervalued codes as compared to overvalued codes.”<sup>1</sup> Since the inception of the Relativity Assessment Workgroup, the Workgroup and CMS have identified over 1,300 services through eleven different screening criteria for further review by the RUC. Additionally, the RUC charged the Workgroup with maintaining the “new technology” list of services that will be re-reviewed by the RUC as reporting and cost data become available.

### **New Technology**

As the RUC identifies new technology services that should be re-reviewed, a list of these services is maintained and forwarded to CMS. Currently, codes are identified as new technology based on recommendations from the specialty society and consensus among RUC members at the time of the RUC review for these services. RUC members consider several factors to evaluate potential new technology services, including: recent FDA-approval, newness or novelty of the service, use of an existing service in a new or novel way, and migration of the service from a Category III to Category I CPT code. The Workgroup maintains and develops all standards and procedures associated with the list, which contains 384 services. In September 2010, the re-review cycle began and since then the RUC has recommended 4 services to be re-examined. The remaining services are rarely performed (ie, less than 500 times per year in the Medicare population) and will not be re-examined. The Workgroup will continue to review the remaining 321 services every September after three years of Medicare claims data is available for each service.

### **Site of Service Anomalies**

The Workgroup initiated its effort by reviewing services with anomalous sites of service when compared to Medicare utilization data. Specifically, these services are performed less than 50% of the time in the inpatient setting, yet include inpatient hospital Evaluation and Management services within their global period.

The RUC identified 194 services through the site of service anomaly screen. The RUC required the specialties to resurvey 129 services to capture the appropriate physician work involved. These services were reviewed by the RUC between April 2008 and February 2011. CMS implemented 124 of these recommendations in the 2009, 2010 and 2011 Medicare Physician Payment Schedules. The RUC submitted another 5 recommendations as well as re-reviewed and submitted 44 recommendations to previously reviewed site-of-service identified codes to CMS for the 2012 Medicare Physician Payment Schedule.

Of the remaining 65 services that were not re-surveyed, the RUC modified the discharge day management for 46 services, maintained 3 codes and removed 2 codes from the screen as the

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<sup>1</sup> MedPAC comments to CMS regarding the 2008 Medicare Physician Payment Schedule proposed rule, submitted August 30, 2007.



typical patient was not a Medicare beneficiary and would be an inpatient. The CPT Editorial Panel deleted 13 codes and will re-review 1 service in the CPT 2014 cycle.

During this review, the RUC uncovered several services that are reported in the outpatient setting, yet, according to several expert panels and survey data from physicians who performed the procedure, the service, typically requires a hospital stay of greater than 23 hours. The RUC maintains that physician work that is typically performed, such as visits on the date of service and discharge work the following day, should be included within the overall valuation. Subsequent observation day visits and discharge day management service as appropriate proxies for this work.

### **High Volume Growth**

The Workgroup assembled a list of all services with a total Medicare utilization of 1,000 or more that have increased by at least 100% from 2004 through 2006. The query resulted in the identification of 81 services, expanded by 15 services to include the family of services. Specialty societies submitted comments to the Workgroup in April 2008 to provide feedback or explanations for the growth in reporting. Following this review, the RUC required the specialties to survey 35 services to capture the appropriate work effort and/or practice expense inputs. These services were reviewed by the RUC between February 2009 and April 2010.

The RUC recommended that 24 services be removed from the screen as the volume growth did not impact the resources required to provide the service. The CPT Editorial Panel deleted 16 codes and will review another 12 services in the CPT 2014 cycle. In September 2011, the RUC began review of services after two years of utilization data were collected. The RUC will provide recommendations to CMS for 3 services for the 2013 Medicare Physician Payment Schedule and will continue to review the remaining 6 services after additional utilization data is collected.

### **CMS Fastest Growing**

In 2008, CMS developed the Fastest Growing Screen to identify all services with growth of at least 10% per year over the course of 3 years from 2005-2007. Through this screen, CMS identified 114 fastest growing services and the RUC expanded this screen by an additional 69 services to include the family of services, totaling 183. The RUC required the specialties to survey 72 services to capture the appropriate work effort and/or practice expense inputs. These services were reviewed by the RUC between February 2008 to April 2010 and submitted to CMS for the Medicare Physician Payment Schedule.

The RUC recommended that 51 services be removed from the screen as the volume growth did not impact the resources required to provide the service. The CPT Editorial Panel deleted 23 codes and will review another 15 services in the CPT 2014 cycle. The RUC will review 8 services in for the 2013 Medicare Physician Payment Schedule and 14 services after additional utilization data is available.



### **High IWP/UT**

The Workgroup assembled a list of all services with a total Medicare utilization of 1,000 or more that have an intra-service work per unit of time (IWP/UT) calculation greater than 0.14, indicating an outlier intensity. The query resulted in identification of 32 services. Specialty societies submitted comments to the Workgroup in April 2008 for these services. As a result of this screen, the RUC has reviewed and submitted recommendations to CMS for 28 codes, removing 4 services from the screen as the IWP/UT was considered appropriate. The RUC completed review of services under this screen.

### **Services Surveyed by One Specialty – Now Performed by A Different Specialty**

Services that were originally surveyed by one specialty, but now performed predominantly by other specialties were identified and reviewed. The RUC identified 21 services by this screen, adding 19 services to address various families of codes. The majority of these services required clarification within CPT. To date, the CPT Editorial Panel has deleted 18 codes and will review 4 codes in the CPT 2014 cycle. The RUC submitted 18 recommendations for physician work and practice expense to CMS for the 2011 and 2012 Medicare Physician Payment Schedule.

### **Harvard Valued**

#### *Utilization over 1 Million*

CMS requested that the RUC pay specific attention to Harvard valued codes that have a high utilization. The RUC identified 9 Harvard valued services with high utilization (performed over 1 million times per year). The RUC also incorporated an additional 12 Harvard valued codes within the initial family of services identified. The CPT Editorial Panel deleted 1 code. The RUC submitted 20 relative value work recommendations to CMS for the 2011 and 2012 Medicare Physician Payment Schedule. The RUC completed review of services under this screen.

#### *Utilization over 100,000*

The RUC continued to review Harvard-only valued codes with significant utilization. The Relativity Assessment Workgroup expanded the review of Harvard codes to those with utilization over 100,000 which totaled 38 services and the RUC expanded by the screen by 102 codes to include the family of services, totaling 140 services. The CPT Editorial Panel deleted 26 codes and will review 2 services in the CPT 2014 cycle. The RUC submitted 106 recommendations to CMS for the 2011-2013 Medicare Physician Payment Schedules. The RUC will review 4 codes in October 2012 after additional utilization data is available.

#### *Utilization over 30,000*

In April 2011, the RUC continued to identify Harvard-only valued codes with utilization over 30,000, based on 2009 Medicare claims data. The RUC determined that the specialty societies should survey the remaining 36 Harvard codes with utilization over 30,000 for September 2011. The RUC expanded the screen to include the family of services, totaling 60 services. The CPT Editorial Panel deleted 7 codes and will review 15 services in the 2014 cycle. The RUC will submit recommendations for 36 services for the 2013 Medicare Physician Payment Schedule and will review 2 services in September 2013.



### **Bundled CPT Services**

#### *Reported 95% or More Together*

The Relativity Assessment Workgroup solicited data from CMS regarding services inherently performed by the same physician on the same date of service (95% of the time) in an attempt to identify pairings of services that should be bundled together. To that end, the RUC and CPT Editorial Panel created a joint workgroup to discuss the complex coding issues and to ensure that all resource efficiencies are accounted. The Joint Workgroup report to the RUC and CPT Editorial Panel, which was approved by both bodies, called for CPT coding change proposals to collapse code pairings into fewer bundled services. The CPT Editorial Panel deleted 31 codes. The RUC surveyed, reviewed the work and practice expense, and submitted recommendations to CMS for 53 services to account for efficiencies achieved through bundling. The RUC completed review for services identified under this screen.

#### *Reported 75% or More Together*

In February 2010, the Workgroup continued review of services provided on the same day by the same provider at a lower threshold. The Workgroup analyzed code pairs provided on the same day by the same physician. The Relativity Assessment Workgroup reviewed the Medicare claims data for these services and found 151 relevant code pairs. These codes were divided into similar “groups” and the 20 code groups, totaling 80 codes with the highest allowed charges were sent to specialty societies to solicit action plans for consideration at the April 2010 RUC meeting. The RUC added 61 additional codes as part of the family of services, totaling 141 services. The CPT Editorial Panel deleted 22 codes and will consider 12 of codes in the CPT 2014 cycle. The RUC reviewed the work and practice expense and submitted recommendations to CMS for 62 services to account for efficiencies when performed together, for the 2012 Medicare Physician Payment Schedule. The RUC will submit recommendations for 39 services for the 2013 Medicare Physician Payment Schedule and 6 services for the 2014 Medicare Physician Payment Schedule.

### **Low Value/Billed in Multiple Units**

CMS has requested that services with low work RVUs that are commonly billed with multiple units in a single encounter be reviewed. CMS identified services that are reported in multiples of 5 or more per day, with work RVUs of less than or equal to 0.50 RVUs.

In October 2010, the Workgroup reviewed 12 CMS identified services and determined that 6 of the codes were improperly identified as the services was either not reported in multiple units or was reported in a few units, but that was assumed in original valuation. The RUC submitted recommendations for the remaining 6 services for the 2012 Medicare Physician Payment Schedule. The RUC completed review of services under this screen.

### **Low Value/High Volume Codes**

CMS has requested that services with low work RVUs and high utilization be reviewed. CMS has requested that the RUC review 24 services that have low work RVUs (less than or equal to 0.25) and high utilization. The RUC questioned the criteria CMS used to identify these services as it appeared some codes were missing from the screen criteria indicated. The RUC identified codes with a work RVU ranging from 0.01 - 0.50 and Medicare utilization greater than one million. In February 2011, the RUC reviewed the codes identified by this criteria added 5 codes to review under this screen, totaling 29. The RUC submitted 24 recommendations to CMS for the 2012 Medicare Physician Payment Schedule and 5 recommendations to CMS for the 2013 Medicare Physician Payment Schedule.



### **Multi-Specialty Points of Comparison List**

CMS requested that services on the Multi-Specialty Points of Comparison (MPC) list should be reviewed. CMS prioritized the review of the MPC list to 33 codes, ranking the codes by allowed service units and charges based on CY 2009 claims data and as well as those services reviewed by the RUC more than six years ago. The RUC expanded the list to 155 services to include an additional codes as part of a family (105 codes of which are part of the revision to the GI endoscopy codes). The CPT Editorial Panel deleted 8 codes and will review 108 codes for revision. The RUC submitted recommendations for 22 codes for the 2012 Medicare Physician Payment Schedule and will submit recommendations for 17 services for the 2013 Medicare Physician Payment Schedule.

### **CMS High Expenditure Procedural Codes**

In the July 19, 2011, Proposed Rule for 2012, CMS requests that the RUC review a list of 70 high PFS expenditure procedural codes representing services furnished by an array of specialties. CMS selected these codes based on the fact that they have not been reviewed for at least 6 years, and in many cases the last review occurred more than 10 years ago.

The RUC reviewed the 70 services identified and expanded the list to 103 services to include additional codes as part of the family. The CPT Editorial Panel deleted 7 codes and will review 12 codes for the 2014 cycle. The RUC will submit 40 recommendations to CMS for the 2013 Medicare Physician Payment Schedule and will submit the remaining recommendations for the 2014 Medicare Physician Payment Schedule.

### **Other Issues**

In addition to the above screening criteria, the Relativity Assessment Workgroup performed an exhaustive search of the RUC database for services indicated by the RUC to be re-reviewed at a later date. Three codes were found that had not yet been re-reviewed. The RUC recommended a work RVU decrease for 2 codes and to maintain the work RVU for another code.

CMS also identified 72 services that required further practice expense review. The RUC submitted practice expense recommendations on 67 services and the CPT Editorial Panel deleted 5 services. The RUC also reviewed special requests for 19 audiology and speech-language pathology services, which the RUC submitted recommendations for 10 services for the 2010 Medicare Physician Payment Schedule and the remaining 9 services for the 2011 Medicare Physician Payment Schedule.



**CMS Requests and RUC Relativity Assessment Workgroup Code Status**

<b>Total Number of Codes Identified*</b>	<b>1,311</b>
<b>Codes Completed</b>	
Work and PE Maintained	311
Work Increased	62
Work Decreased*	313
Direct Practice Expense Revised (beyond work changes)*	118
Deleted from CPT	162
<b>Codes Under Review</b>	
Referred to CPT	149
RUC to Review April 2012	109
Future Review or Re-review	87

*\*The total number of codes identified will not equal the number of codes from each screen as some codes have been identified in more than one screen.*

Approximately \$400 million was redistributed to the 2011 Medicare conversion factor (0.5% increase) to account for the efforts on the work relative values. This led to \$40 million redistribution within the PLI RVUs and combined with other recommendations, \$570 million redistribution within the practice expense RVUs, for a total overall redistribution of **\$1 billion** in 2011.

In 2009 and 2010 minor increases to the conversion factor and redistribution within the PLI and PE RVUs also occurred. The RUC's efforts for 2009-2012 have resulted in \$1.5 billion in redistribution within the Medicare Physician Payment Schedule.