Chances are you haven’t been able to read through the nearly 1,200 pages that constitute the 2015 Medicare Physician Fee Schedule final rule released Oct. 31 and published Thursday in the Federal Register. Here are the 10 top payment policy changes discussed in this mammoth document that you need to know about.

- **The sustainable growth rate (SGR) formula calls for a 21.2 percent cut to physician payments, effective April 1.** While this is a steep reduction, it is a considerable drop from the nearly 30 percent cut projected just a few years ago. The reduction is thanks to nearly flat growth in utilization of physician services over the past several years. The AMA continues to press Congress to repeal the SGR formula to eliminate the perennial payment cut threats and temporary legislative patches.

- **Continuing medical education (CME) will not be reported under the Physician Payments Sunshine Act.** The Centers for Medicare & Medicaid Services (CMS) proposed including CME activities in reports of physicians’ financial interactions with medical device and drug manufacturers in the new “Open Payments” public database. The AMA led dozens of other medical associations in calling on the agency to eliminate this requirement because it would “chill physician participation in independent [continuing education] programs.”

- **Proposed penalties under the value-based payment modifier (VBM) will be scaled back.** CMS intended to increase payment penalties under the modifier from 2 percent to 4 percent, beginning in 2017. The AMA strongly objected to this proposal, noting in a comment letter on the proposed rule that some physicians would be vulnerable to payment cuts totaling more than 11 percent as a result of the VBM and other Medicare reporting programs—a move that could mean some of Medicare’s sickest patients would lose access to their doctors. While the final rule still maintains a potential pay cut of 4 percent for larger medical groups, practices with fewer than 10 physicians will not be subject to more than a 2 percent VBM penalty.

- **The Physician Quality Reporting System (PQRS) becomes a penalty-only program next year.** Physicians must successfully report in 2015 to avoid PQRS and VBM penalties in 2017. Among other things, they’ll have to report on at least nine quality measures that cover
three “domains.” In addition, the final rule requires physicians to report on at least one of the 18 new “cross-cutting measures.” CMS originally said physicians would be obligated to report on at least two cross-cutting measures but cut that requirement in half after the AMA urged the agency not to create additional mandates that physicians would struggle to meet. The agency also had planned to shorten the period physicians have to review their feedback reports to just 30 days. Following AMA lobbying, CMS decided to leave the review period at 60 days.

- **The Physician Compare website will continue to expand—but not as much as planned.** Continued pressure from the AMA has led CMS to commit to better prevention and correction of errors on this website that has been riddled with problems. The agency also will notify physicians when they can preview their reports. While the agency’s plans to post benchmarks to the site have been put aside for now, the website will show physicians’ performance under PQRS, the electronic health record meaningful use program and Medicare accountable care organizations.

- **Chronic care management services will be supported by a monthly payment.** Beginning next year, CMS will pay $42.60 per month for these services when CPT code 99490 is reported. This policy change reflects several years of advocacy by the AMA, the CPT Editorial Panel and the AMA/Specialty Society Relative Value Scale Update Committee (RUC). The groups will continue to urge the agency to also adopt higher values and pay for multiple complex chronic care coordination services so that patients have ongoing access to this important care.

- **Four services now are eligible for telehealth payment.** These services are Medicare’s annual wellness visit (coded with HCPCS G0438 and G0439), prolonged evaluation and management services (reported with CPT codes 99354 and 99355), family psychotherapy (CPT codes 90846 and 90847) and psychoanalysis (CPT code 90845).

- **Surgical global periods will change from 10- and 90-day periods to 0-day periods.** Despite strong opposition from the AMA and many medical specialty societies, CMS will be transitioning all services with a 10-day global period to a 0-day global period by 2017. All 90-day global periods will be shifted to 0-day global periods by 2018.

- **There are 350 CPT codes identified as new, revised or potentially misvalued—318 of these changes were based on physician input.** These changes represent 86 percent of those recommended by the RUC, a group of more than 300 participants that includes physician advisers from every medical specialty and a dozen other health care professionals. The group provides input on values based on their highly technical expertise.

- **The timeline for submitting new codes and revaluations of services will shift.** The deadline for receiving all code and value recommendations for the following year’s payment policies will be February to allow more time for public comment. This change will take place for the 2017 Medicare Physician Fee Schedule. CPT and RUC timelines will be modified to accommodate the new process, thereby ensuring physicians continue to have strong input on appropriate values for services.
You can read more about these and other components of next year’s Medicare payment policies by downloading an AMA summary (log in) or viewing fact sheets from CMS.