

**AMA/Specialty RVS Update Committee
September 27, 1997**

**LeMeridian San Diego at Coronado
San Diego, California**

I. Call to Order and Opening Remarks.

Doctor Hoehn called the meeting to order at 8:00 am. The following RUC members were in attendance:

James G. Hoehn, MD

David Berland, MD

Melvin Britton, MD

Neil Busis, MD*

Peter Dempsey, MD*

Robert Florin, MD

John O. Gage, MD

William Gee, MD

Larry P.Griffin, MD*

Kay K. Hanley, MD

Alexander Hannenberg, MD

W. Benson Harer, MD

James Hayes, MD

Richard J. Haynes, MD

Emily Hill, PA-C

David F. Hitzeman, DO

Dudley D. Jones, MD

Charles Koopmann Jr. MD

J. Leonard Lichtenfeld, MD

James S. Maloney, MD*

John Mayer, MD

David McCaffree, MD

Clay Molstad, MD

James Moorefield, MD

William Rich, MD

Chester Schmidt, MD

Paul Schnur, MD

Bruce Sigsbee, MD

John Tudor, MD

Charles Vanchiere, MD

Richard Whitten, MD

(*Indicates alternate member)

Bart McCann, MD, Health Care Financing Administration (HCFA) also attended.

Doctor Hoehn announced that he has designated four RUC subcommittees to assist the RUC in its activities over the next year (October 1, 1997-September 30, 1998). Each RUC member has been appointed to one of four subcommittees as well as one Advisory Committee member and one HCPAC member. After one year, the seats on the subcommittee will rotate at the discretion of the Chair. Doctor Hoehn appointed the following subcommittees:

Administrative Subcommittee: Doctors Rich (Chair), Gordy, Hanley, Hayes, Hitzeman, Schnur, Vanchiere, Frank Opelka and Stephen Levine, PT. The Administrative Subcommittee's responsibilities will include election of seats on the RUC; composition of the RUC; and liaison to staff.

Rules and Procedures Subcommittee: Doctors Tudor (Chair), Berland, Haynes, Harer, Schmidt, Whitten, Winters, Paul Collicott, and Emily Hill, PA-C. The Rules & Procedures Subcommittee's responsibilities will include: governance of the RUC; annual review of Rules and Procedures document; and relationship between the HCPAC and the RUC.

Research Subcommittee: Doctors Florin, (Chair), Britton, Gee, Jones, Koopmann, McCaffree, Meghan Gerety, George Kwass, and Eileen Sullivan-Marx, Ph.D. The Research Subcommittee's

responsibilities include modifications to the RUC survey instrument and other methodological issues.

Practice Expense Subcommittee: Doctors Lichtenfeld (Chair), Gage, Hannenberg, Mayer, Molstad, Moorefield, Sigsbee, Robert Zwolak, and Marc Lenet, DPM. The Practice Expense Subcommittee's responsibilities will be to continue to monitor and assess HCFA's activities and discuss methodology if the RUC becomes involved in developing practice expense recommendations.

II. Approval of April 24-27, 1997 Minutes

The minutes of the April 24-27, 1997 RUC meeting were approved without revision.

III. Calendar of Meeting Dates

The RUC was informed that the February 6-8, 1998 meeting will be held at the Pointe Squaw Peak in Phoenix, Arizona. A motion was accepted to hold the April 30-May 3, 1998 meeting at the JW Marriott in Washington, DC.

IV. CPT Update

Celeste Kirschner reported that among several issues to be discussed at the November 6-8, 1997 CPT Editorial Panel meeting are two proposals of interest to the RUC: Add-on Codes and extreme age modifiers.

V. HCFA Update

Bart McCann, MD was introduced as the new HCFA representative to the RUC. Doctor Hoehn and the RUC expressed sincere gratitude to Doctor Grant Bagley for his participation in previous RUC meetings. Doctor McCann announced that President Clinton has nominated Nancy Ann Minn DeParle as the new HCFA Administrator and also stated that there has been major reorganization at HCFA. The major feature of this reorganization is that all issues will now be handled by centers. The new center handling physician payment issues is the Center for Health Plan for Providers (CHPP). This center is composed of the merged Bureau of Payment Policy and Managed Care. An organizational chart of CHPP and staff listings was provided in Tab 5 of the Agenda book.

Doctor McCann also discussed the GAO Audit in which more than \$28 billion in errors were uncovered. As a result, HCFA will conduct pre-payment audits of Evaluation and Management codes on a random basis throughout the country.

Doctor McCann reported that the new Balanced Budget Act (BBA) provides many benefits that focus on prevention including: (1) mammography; (2) pap smear, pelvic exam and breast examination; (3) PSA; (4) colon and rectal screening; (5) diabetic insulin strips; and (6) bone density studies.

Additional provisions of the BBA include: telemedicine; Nurse Practitioners/Physician Assistants; Hospital Outpatient Prospective Payment System; and Ambulatory Surgical Centers. In July 1998, a 3-year Demonstration will be conducted in rural areas that will provide payment to physicians that consult with academic health centers. Effective January 1, 1998 both nurse practitioners and physician assistants will receive 85% of the Medicare Fee Schedule. In

addition, nurse practitioners/specialists will receive direct payment for services while physician assistants will no longer be restricted on the settings in which they provide services. The Hospital Outpatient Prospective Payment will now be similar to DRG in an outpatient setting using cost reports from 1996 as the basis. The Federal Register Notice has expanded the number of covered services in Ambulatory Surgical Centers.

Doctor McCann discussed HCFA's evaluation of the ICD-10PCS coding system being developed by the 3M corporation. Recently, HCFA commissioned 3M to design a new coding system for potential usage in the hospital inpatient setting. HCFA does not feel that the current ICD-9CM coding system is adequate to meet the needs of the future. Doctor McCann reported that 3M have developed a massive system consisting of over 200,000 codes. As part of ongoing testing of this system, HCFA will be evaluating the possibility of potential long-term and widespread use of ICD-10PCS.

Barry Eisenberg reported that recently, the AMA was commissioned to study the 3M project and develop a report. This report was completed in the Spring and distributed to the CPT Editorial Panel at their May meeting. Mr. Eisenberg announced that copies of the report would be distributed to interested RUC members. Doctor Hoehn referred the report to the Research Subcommittee and asked that it be discussed at the February RUC meeting.

Mr. Eisenberg also announced that the AMA Board of Trustees approved all funding for development CPT-5, which the AMA will advocate as the new procedural coding standard. Mr. Eisenberg suggested that Doctor T. Reginald Harris, Chair of the CPT Editorial Panel, be asked to make a presentation to the RUC on the status of CPT-5 at one of the future RUC meetings.

VI. Legislative Update

Sharon McIlrath from the AMA's Washington Office discussed the effect of the Balanced Budget Agreement of 1997. She also reviewed the new Medicare Payment Review Commission (MedPac) that will replace the Physician Payment Review Commission. Her talking points are attached to these minutes.

VII. Relative Value Recommendations for New or Revised Codes

Acupuncture (Tab 6)

Presentation: Bradley Williams, MD President; John Reed, MD and James Dowden, MD, American Academy of Medical Acupuncture

Mitchell Prywes, American Academy of Physical Medicine and Rehabilitation

Jerilyn Kaibel, American Chiropractic Association

The American Academy of Medical Acupuncture and the American Chiropractic Association withdrew this issue. In reviewing the survey results from both groups, it is unclear as to whether or not evaluation and management services were included or excluded from the ratings. The groups also have concerns regarding the code descriptors and the number of codes and will ask the CPT Editorial Panel to discuss the issue again.

Laparoscopic Surgery (Tab 7), Tracking Numbers P1 and P7

This issue was withdrawn by the American College of Surgeons based upon the following rationale: 1) These procedures are not performed widely throughout the country and identifying the individuals who actually perform them is difficult; and 2) awaiting resolution of minimally invasive procedures by the RUC.

VIII. Minimally Invasive Workgroup Report

Doctor Hannenberg (Chair) of the Minimally Invasive Workgroup reported that the committee (Doctors W. Benson Harer, John Gage, Richard Haynes, Charles Koopman, Clay Molstad, Robert Vogelzang, Eugene Weiner, Robert Zwolak and Marc Lenet, DPM) met on July 19 to discuss whether or not consistent relationships exist between the work of a minimally invasive procedure and its open counterpart.

The workgroup considered two issues with regard to the determination of physician work in minimally invasive procedures: 1) definition of minimally invasive procedures; and 2) the current relationship between the work RVUs of minimally invasive procedures and their open counterparts.

The RUC adopted the following workgroup recommendations :

- 1. The RUC reject the principle that the physician work between analogous open and closed procedures are necessarily equivalent and not base its recommendations on this principle.**
- 2. The RUC will ask HCFA to identify which analogous open and closed procedures should be reviewed.**
- 3. When the specialty societies survey minimally invasive procedure codes, the RUC will strongly encourage the use of other minimally invasive reference services and not necessarily the open counterpart of the code that is being rated.**
- 4 A worksheet, prepared by Doctor Richard Haynes, comparing open and minimally invasive procedures should be referred to the Research Subcommittee.**

The RUC also discussed the process for assignment of global periods for new and revised codes and adopted the following workgroup recommendation:

AMA staff will solicit comments from the specialty societies on global periods during the Level of Interest Process.

The RUC approved the report of the Minimally Invasive Workgroup. The full report is attached to these minutes.

VIII. Nominating Subcommittee Report

Doctor Novak, Chair of the Nominating Subcommittee (Doctors Hitzeman, Lichtenfeld, Jones and Haynes) reported that the subcommittee considered four issues: 1) dual memberships in specialty societies of RUC members; 2) the history of establishing the internal medicine rotating seat; 3) the criteria of rotating seats; and 4) the creation of a surgical rotating seat

The RUC approved the report of the Nominating Subcommittee Report. The full report is attached to these minutes.

X. Research Subcommittee Report

Doctor Rich, Chair of the Research Subcommittee reported that on September 26, 1997 the Research Subcommittee met to discuss the following issues: physician work intensity, concerns raised regarding the survey process and add-on codes. The following physicians attended: Doctors Britton, Fanale, Florin, Gee, Kwass, Tudor, and Eileen Sullivan-Marx, PhD. Bart McCann, MD from the Health Care Financing Administration also attended.

Intensity and IWPUT:

Doctor Rich reported that the Research Subcommittee considered several issues raised by the intensity workgroup and subsequently made several recommendations to amend the current survey instrument used by the RUC. The RUC adopted these recommendations which can be found in the report attached to the minutes.

The RUC also discussed the use of formulas for calculation of IWPUT and adopted the following recommendation:

Intra-service intensity or IWPUT should be used only as a measure of relativity between codes or in families of codes. IWPUT is a complimentary measure and should not be used as the sole basis for ranking or the assignment of value to a service. The workgroup further observes that since all formulas for the calculation of IWPUT use imputed values, there is no preferable formula.

Survey Process:

The RUC discussed issues raised by Doctor Sigsbee regarding the current survey process including: 1) rescaling the reference service list; and 2) type of survey sample used. The workgroup made several recommendations to amend the current summary recommendation forms, which were approved by the RUC. The changes can be found in the full report.

Add-on Codes:

The RUC and Research Subcommittee agreed that it would be extremely difficult to move forward and advise specialty societies to change their current method of surveying add-on codes until the CPT Editorial Panel takes action on clearly designating add-on codes this November. Doctor Hoehn appointed a workgroup consisting of Doctors Britton (Chair), Florin, Haynes, Rich and Fanale to consider actions taken by the CPT Editorial Panel regarding add-on codes and report back to the Research Subcommittee in February 1998.

The full subcommittee report was approved by the RUC and is attached to these minutes.

XI. Practice Cost Subcommittee Report

Doctor Lichtenfeld reported that the Practice Cost Subcommittee met on September 26, 1997 to discuss the RUC's involvement in the development of practice expense relative values and the options paper developed by Health Policy Alternatives. The following subcommittee members attended: Doctors Lichtenfeld (Chair), Gage, Hannenberg, Mayer, Molstad, Moorefield and Sigsbee. Henry Desmaris, MD and Tom Ault from Health Policy Alternatives and Bart McCann,

MD from HCFA also attended. The subcommittee agenda included: a Legislative Update, HCFA update, Health Policy Alternatives(HPA) and a discussion of a strategic plan for the RUC.

Doctor Lichtenfeld also reported that after presentations by Doctors McCann and Desmaris, the subcommittee extensively discussed a role for the RUC in the development of practice expense RVU's for new and revised codes. After this discussion, the subcommittee concluded that a great deal of uncertainty surrounded HCFA's methodology that this limited the ability of the subcommittee to make any decisions regarding a definitive role or work plan. The Practice Cost Subcommittee recommended that the **RUC should seek a meaningful role in the practice cost issue and continue to monitor and assess HCFA's activities**. This recommendation was approved by the RUC. The full report is attached to these minutes.

XII. Other Issues

Request for Reconsideration of Home Visits Recommendations (Tab 12)

Presentation: Grisham Haynes, MD American Academy of Home Care Physicians

At the April meeting, the RUC adopted relative value recommendations on home visit services. The RUC accepted the recommendations based on the following assumptions:

1. The RUC based its recommendations on intra-service time from the RUC survey. Subsequently, these recommendations changed to reflect the CPT intra-service time adopted at the May 1997 CPT Editorial Panel meeting. These CPT times took into consideration the RUC survey and a survey of the vignettes only.
2. The RUC assumed the same intra-service intensity (.031) for the home visits services that was assigned to the office visit services by HCFA during the five-year review of the RBRVS.
3. The RUC assumed that home and office visit services have similar pre and post service work and used the same multiplier of 1.43 to calculate the total work relative value for these services.

On September 3, 1997 the American Academy of Home Care Physicians (AACHP) requested a reconsideration of the RUC recommendations for the home visit services. In their letter the AACHP argued that the work involved the provision of a home visit is more intense and that the IWP/UT should be .032. They also argued that there is additional pre and post service work involved in the provision of a home visit and suggested that the RUC use a multiplier of 1.54.

A facilitation committee was appointed by Doctor Hoehn consisting of; Doctors Britton (Chair), Koopmann, Mayer, Sigsbee, and Eileen Sullivan-Marx, Ph.D., to examine this issue and report their findings to the RUC in San Diego. Doctor Britton reported that the facilitation committee did not believe that there was compelling evidence to support the AACHP contention that home visit services require more work than office visits, in either intra-service intensity or in the amount of pre and post service work that is involved. Doctor Britton also reported that the facilitation committee was concerned about the reduction of the April RUC recommendations for these services due to the decreased intra-service time assigned by CPT. The Facilitation committee believed that the RUC survey intra-service time was accurate and recommended that the RUC reaffirm the relative value recommendations from April. These recommendations are as follows:

CPT Code	Intra-service Time	RUC Recommendation (Intra-service time x IWPUT of .031 x 1.43)
New Patient		
99341	20	0.89
99342	30	1.33
99343	50	2.22
99344	60	2.66
99345	90	3.75
Established Patient		
99347	15	0.66
99348	30	1.33
99349	40	1.77
99350	72.5	3.21

HCFA Practice Expense Panels:

A motion was made and accepted that Doctor Hoehn will write a letter to Bart McCann, MD clarifying that RUC members (Doctors Hoehn, Tudor, and Hannenberg) will attend the October 6-8 HCFA Practice Expense Panels as observers and experts on the physician work component.

As a matter of convenience, HCFA conducted a “mock practice expense validation panel” in San Diego. RUC participants served as the panel members and the audience. HCFA asked RUC participants for feedback and many suggested that CPEP members, nurses, and practice managers be invited to participate in the October 6-8 panels.

Evaluation and Management Documentation Guidelines

Doctor Hayes asked for clarification regarding the RUC role in the new Evaluation and Management documentation guidelines. In February 1997, the Health Care Financing Administration asked the AMA to validate that the physician work of single system examinations were equivalent to the general multi-system exams. AMA staff asked RUC members to participate in small panels (4-5 physicians per panel) to consider each single system examination. These workgroups met in February after the conclusion of the RUC meeting and validated the single system exams after presentation by each specialty society. The full RUC did not consider the single system examinations or any other aspect of the documentation guidelines.

The meeting concluded at 3:50 p.m.