Health Care Financing: Recent Changes and Challenges for the Future

Stephen R. Gillaspy, PhD
Senior Director, Health Care Financing

Office of Health Care Financing

Practice Leadership Conference – March 2020
Overview

- Describe the CPT® code development and valuation process.

- Discuss current reimbursement challenges for psychologists participating in Medicare, Medicaid programs, and private insurance.

- Explain state and federal advocacy plans and initiatives to improve reimbursement for psychologists.
- Connect reimbursement strategies to clinical and operational models.
- AMA CPT®/RUC strategies need to be proactive:
  - Partner with medical groups for alternative payment models and new CPT codes.
  - Develop payment policy guides.
- Develop robust & nimble org structure and infrastructure.
- Increase and enhance member communication and education.
- Advocate beyond AMA CPT/RUC and Medicare, to also include Medicaid and commercial payors.

CONCLUSION: APA truly leads and is perceived as THE leader in coding, billing, and reimbursement strategy for the profession.
Office of Health Care Financing (OHCF) Priorities

- Lead APA’s advocacy within the American Medical Association’s (AMA) CPT® Editorial Panel and Specialty Society RVS Update Committee (RUC) processes.

- Develop strategy and lead advocacy initiatives related to financing for psychology practices in the United States.

- Work within policy and advocacy arenas to increase the influence, visibility, and value of psychology within the health care system.
OHCF Priorities

- Collaboration
  - Within APA
    › Advocacy
    › Legal and Regulatory Affairs
    › Communications
    › Practice Research & Policy
  - Outside of APA
    › Federal
    › State Medicaid
    › Stakeholder Groups
    › Private Payors
    › Other Specialty Societies

- STATE ASSOCIATIONS
- Divisions
CPT® Code Development and Valuation Process
Recent CPT® Coding Changes

- 2019 Psychological and Neuropsychological Testing Codes
- 2020 Health Behavior Assessment and Intervention (HBAI) Codes
- 2020 Cognitive Function Intervention Codes
- 2020 Digital Assessment and Management (e-Visit) Codes
CPT® Codes – The AMA & CMS

- The AMA established and oversees the Committees responsible for the development and valuation of CPT codes


  - The RUC makes recommendations to the Centers for Medicare and Medicaid Services (CMS) on resources required to provide health care services and relative values assigned to new/revised codes.

© 2020 APA Services, Inc.
Copyright © 2019 by the American Medical Association. All rights reserved. CPT® is a registered trademark of the American Medical Association.
While the Health Insurance Portability and Accountability Act of 1996 (HIPAA) mandates that private payers use current CPT® codes, reimbursement values are applicable only to services reported to Medicare through any of its regional carriers. Private payers may set their own reimbursement values.
The CPT® Code Development & Valuation Process

- CPT Editorial Panel Process
  - Application
  - Presentation
  - New/Revised Code Recommendations to RUC

- RUC Process
  - Survey
  - Presentation
  - Code Valuation Recommendations to CMS

- CMS Process
  - Review of Recommendations
  - Proposed Rule
  - Final Rule
CPT® Editorial Panel Composition

- AMA House of Delegates
  - 122 Medical Specialties

- CPT Health Care Professionals Advisory Committee (HCPAC)
  - 15 Allied Health Societies

- CPT Editorial Panel
  - 17 Voting Members
    › 13 Appointed by AMA Board
    › 2 from BC/BS Assn, AHIP, AHA, CMS
    › 2 Voted on by HCPAC
      • Psychologist (AP), until June 2016, now Optometrist
      • Occupational Therapist
- AMA/Specialty Society RVS Update Committee (RUC)
  - 31 Voting Members
    › 21 of its 31 members appointed by major national medical specialty societies
      • 4 Rotating Seats – 1 primary care, 2 internal medicine subspecialty, 1 other
      • 6 remaining seats – RUC Chair, RUC HCPAC Co-Chair, Chair of Practice Expense Review Committee & representatives from AMA, CPT® Editorial Panel and AOA
        • AMA Board of Trustees selects RUC Chair & AMA representative

- RUC Health Care Professionals Advisory Committee (HCPAC)
  - 12 limited license practitioners and allied health professionals
  - 3 RUC members – Representatives from RUC, AMA, & AMA Alternate
RUC Health Care Professional Advisory Committee (HCPAC)

- American Speech-Language-Hearing Association
- American Podiatric Medical Association
- American Optometric Association
- American Chiropractic Association
- American Occupational Therapy Association
- American Academy of Physician Assistants
- American Academy of Audiology
  - American Psychological Association
- American Physical Therapy Association
- American Nurses Association
- Academy of Nutrition and Dietetics
- National Association of Social Workers

*****“...Physician and other qualified healthcare provider...”
HOW YOUR SERVICES ARE VALUED

Each year the American Medical Association’s CPT® Editorial Panel creates new and updates existing CPT® codes that psychologists and other providers use to bill insurers for treatment. Specialty societies, such as APA, work with the panel to ensure that the codes are clinically relevant. Every code corresponds to a service you provide. Here’s how payment rates for those services are set.

1. **YOUR INPUT IS CRITICAL**
   You share input via surveys about the time and complexity/intensity of the services you provide.

2. **APA ANALYZES DATA**
   APA collects and summarizes the data, then uses it to create value recommendations for each service.

3. **COMMITTEE REVIEW**
   APA presents its recommendations to the AMA Relative Value Scale Update Committee (RUC) for consideration.

4. **FEDERAL AGENCY ASSIGN VALUES**
   After reviewing data from APA and other health-care organizations, AMA submits value recommendations for CPT codes to the Centers for Medicare and Medicaid Services (CMS). CMS has the authority to accept or amend the values.

5. **PUBLISHED BENCHMARK**
   CMS publishes proposed value recommendations for each service in the Medicare Physician Fee Schedule. After a public comment period, CMS releases the final values, which take effect each year on Jan. 1.

6. **INSURANCE DECIDES PAYMENT**
   Private insurance companies set reimbursement rates for psychological services, and other health-care services, using values published in the Physician Fee Schedule as a benchmark.
Three (3) Components of the TOTAL Relative Value Unit (RVU)

- Work RVU (wRVU)
- Practice Expense (PE) RVU
- Professional Liability Insurance (PLI) RVU

Must have Compelling Evidence for Value Increases

Zero Sum Game = Winners and Losers
- Projected 7% decrease in 2021 as an example
Current Reimbursement Challenges for Psychologists Participating in Medicare, Medicaid Programs, and Private Insurance
Medicare

- 7% Projected reduction in Medicare reimbursement for 2021

- Practice Expense (PE)

- Medicare Advantage

- Access to CPT® codes

© 2020 APA Services, Inc.
Copyright © 2019 by the American Medical Association. All rights reserved. CPT® is a registered trademark of the American Medical Association.
Medicaid & Private Payors

- Variation in service/CPT® code coverage
  - HBAI codes
  - Screening codes
  - Brief intervention codes

- Utilization limitations and variations

- Variation in populations covered

- Reimbursement rates

- Psychiatric Collaborative Care Model (CoCM)
State and Federal Advocacy Plans and Initiatives to Improve Reimbursement for Psychologists
7% Projected Reduction in Medicare Reimbursement for 2021

- 2019
  - APA
    › Official Response
    › 6,000+ member comments to CMS
  - Coalition
    › Letter to CMS

- 2020
  - APA
    › Engaging CMS
  - Coalition
    › In-Person Meeting with CMS
    › Letter signed by 99 members of the US House of Representatives
    › Letter to CMS
Medicare Strategies

- Code development (new and revised)
- Practice Expense (PE)
- Alternative Payment Models (APMs)
- Reimbursement for existing CPT® codes
- **99406**: Smoking and tobacco use cessation counseling visit; intermediate, greater than 3 minutes up to 10 minutes

- **99407**: Smoking and tobacco use cessation counseling visit; intensive, greater than 10 minutes

- **99408**: Alcohol and/or substance (other than tobacco) abuse structured screening (eg, AUDIT, DAST), and brief intervention (SBI) services; 15 to 30 minutes

- **99409**: Alcohol and/or substance (other than tobacco) abuse structured screening (eg, AUDIT, DAST), and brief intervention (SBI) services; greater than 30 minutes

- **99355**: Prolonged evaluation and management or psychotherapy service(s) (beyond the typical service time of the primary procedure) in the office or other outpatient setting requiring direct patient contact beyond the usual service; each additional 30 minutes
Medicaid & Private Payors

- HBAI Code Resource

- Medicaid CPT® Code / Coverage Review

- Model Codes and Utilization
Psychiatric Collaborative Care Model (CoCM)

- State Psychiatric Associations proposing legislation

- Alternative model legislation language
  - Blended model
  - Psychologist direct care and can serve as the consultant
  - New (4th) CPT® code
  - Co-pays
- Goal: Access to state level data critical to advocating for improved health care financing at both the state and federal level.

- Areas:
  - Medicaid
  - Major payors
  - Licensure
    › Technicians
      • Psychological & Neuropsychological Testing
      • ABA Services
New Activities

- OHCF Committees
  - Coding Committee
  - Testing Advisory Group
  - Health Behavior Advisory Group
    » Representation from:
      • 9 key APA Divisions and Sections
      • APA Legal & Regulatory Affairs and Communications Staff

- Member Education
  - Website & Resources
  - APA Publications
  - Consultation
What Can You Do To Help?

- Be Part of the Process!
  - For example, carefully complete RUC Surveys when requested

- APA Membership

- Collaborate

- State Profiles
OHCF Staff

Meghann Dugan-Haas
Coding & Payment Policy Officer

Towhanna Boston
Administrative Coordinator
OHCF Staff

Diane Pedulla, JD
Director, Regulatory Affairs

Toni Vincent, MPH, PMP
Director of Operations
For Additional Information

- APA Office of Health Care Financing

- Towhanna Boston via email: OHCF@apa.org