Specialists Affected by Loss Of Consultation Billing

BY MARY ELLEN SCHNEIDER

Medicare's decision to eliminate consultation codes has resulted in a loss of revenue for many physicians and forced some to cut back on appointments with Medicare beneficiaries, according to a survey commissioned by the American Medical Association and several other medical specialty societies.

In January, officials at the Centers for Medicare and Medicaid Services discontinued the use of inpatient and outpatient consultation codes when billing Medicare, except for telehealth codes. Physicians instead were asked to use new or established office visit codes, initial hospital care codes, or initial nursing facility care codes.

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At the time of the policy change, CMS officials said they could no longer justify paying physicians more for a consultation when they had reduced so much of the documentation required to bill for a consultation. The agency also said that eliminating consultation codes would reduce the confusion around the differing definitions of consultations, transfers, and referrals.

But according to many specialists, the approach is flawed and is hurting both their bottom line and patient access to care.

In an online survey of approximately 5,500 physicians, about 72% said that not being able to bill for consultations had decreased their total revenues by more than 5%, with about 30% reporting that their revenues had fallen more than 15%.

The loss of revenue has in turn impacted physicians' practices. For example, 20% of respondents said they have already reduced the number of new Medicare patients seen in their practices. Additionally, 39% said they will hold off on purchasing new equipment or health information technology.

The policy change may also undermine efforts to improve care coordination. About 6% of responding physicians said they have stopped providing primary care physicians with written reports following consults with Medicare patients, and another 19% said they plan to do so.

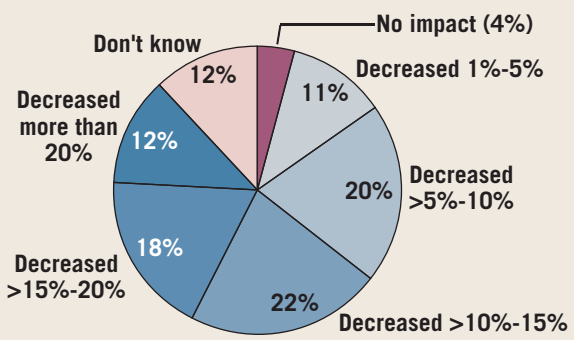
"Patient health is best managed when physicians can work together across specialties to coordinate care," Dr. J. James Rohack, AMA immediate past president, said in a statement.

"Twenty percent of patients over age 65 live with five or more chronic illnesses, and managing their care frequently requires primary care physicians to consult with a physician who specializes in the medical or surgical care of their conditions. CMS's new policy eliminating Medicare consultation codes fails to adequately recognize the additional time and effort involved in these consultations and limits physicians' ability to work together as a comprehensive health care team for their patients," he said.

In a letter to CMS, officials from more than 30 medical specialty societies, including the American Academy of Dermatology Association, the American College of Gastroenterology, the American Gastroenterological Association, the American Geriatrics Society, the American Society of Clinical Oncology, the American Society for Gastrointestinal Endoscopy, and the American College of Physicians, urged the agency to revise the policy when they issue a final regulation on the 2011 Medicare Physician Fee Schedule this fall.

The organizations suggested that CMS consider paying consulting physicians for providing the referring physician with a comprehensive report. They also said CMS could ease some of the financial pressure on physicians by revising its guidelines for prolonged visits to allow for reimbursement for services provided outside of the face-to-face visit, such as reviewing charts and communicating with families and other health care providers. ■

How Has the Elimination of Consult Codes Affected Your Practice's Revenue Stream?



Notes: Based on about 5,500 completed reponses to a survey conducted April 12-30, 2010; 0% of physicians selected a response involving increased revenue. Figures have been rounded.
Source: AMA

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Preventive Training Supported

The Department of Health and Human Services has awarded 15 grants totaling $9 million to train about 55 residents in preventive medicine. Some of the funds come from the American Recovery and Reinvestment Act of 2009. The support will go to accredited schools of public health and medicine and hospital-based residency programs, according to the agency. Griffin Health Services Corp., the parent company of Griffin Hospital in Derby, Conn., was awarded the top grant of $1.4 million. The Johns Hopkins Bloomberg School of Public Health received $1.1 million, and the University of California, Davis, received about $1 million, DHHS said.

State Backs Coordinated Care

Health care providers in five communities across New Hampshire have agreed with the state's major insurance companies to participate in a 5-year pilot program to encourage collaboration, prevention, and disease management instead of fee-for-service medicine, said Gov. John Lynch (D). Groups of providers in each community will become "accountable care organizations" and thus take responsibility for coordinating health care and preventive services to local residents. Each organization will determine how to spend its budget to achieve quality outcomes and efficiency in its area. The program "will move New Hampshire away from the fee-for-service model," according to a statement from the governor's office. "Our current health care system rewards providers for seeing as many patients as possible. We're going to change that," Gov. Lynch said in the statement.

Generics Saved Nearly $1 Trillion

Use of generic drugs saved the U.S. health care system more than $824 billion in 2000-2009, according to a report commissioned by the Generic Pharmaceutical Association and conducted by research firm IMS Health. Cardiovascular drugs, nervous system drugs, and metabolism drugs accounted for three-quarters of the savings, according to the report. In 2009, generics saved $139.6 billion, an increase of 15% over 2008, and those savings are expected to accelerate as 6 of the 10 current largest-selling brand-name drugs will lose patent protection by 2014, the report said.

Whites Least Hospitalized for HBP

Blacks were hospitalized for hypertension nearly five times as often as whites in 2006, and Hispanics were as likely as whites to be admitted for the condition, according to the Agency for Health Care Research and Quality. Whites had 33 admissions per 100,000 people each year, whereas the figure for blacks was 161 admissions and for Hispanics, 61 admissions. More than 250,000 people each year are hospitalized for hypertension with complications, the agency found. The poorest Americans were 2.5 times as likely to be admitted for hypertension as were the wealthiest: 83 vs. 32 admissions per 100,000.

Agencies Post Disability Guidance

The Departments of Justice and Health and Human Services have jointly issued new technical guidance for health providers to encourage care of people with mobility disabilities. "Access to Medical Care for Persons with Mobility Disabilities" details how the Americans with Disabilities Act (ADA) and other government rules on disabled access apply to providers. The 19-page document includes an overview of general ADA requirements, frequently asked questions, and illustrated examples of accessible facilities, exam rooms, and medical equipment. Providers can download a copy of the booklet at www.ada.gov/medcare_ta.htm.

Call for U.S. Tobacco Strategy

The American College of Physicians has called for a new comprehensive federal strategy to control tobacco use, as opposed to what it called the "piecemeal actions" taken by states. "While tobacco use has decreased drastically over the last few decades, we still have a long way to go," ACP President J. Fred Ralston Jr. said in a statement. The policy monograph "Tobacco Control and Prevention" says that in addition to more action against tobacco by the Food and Drug Administration, all states should establish and adequately fund efforts to prevent tobacco use among young people and provide information about tobacco dangers. All public and private insurers should provide tobacco-cessation and -treatment benefits to qualifying individuals, and physicians should help their patients quit, the ACP said.

ABIM Announces New Leadership

The American Board of Internal Medicine (ABIM) has new leadership: Dr. David Reuben, a professor at the University of California, Los Angeles, and chief of the division of geriatrics, will take over as chair, the ABIM said. Meanwhile, Dr. Catherine Lucey, director of residency training and vice dean for education at Ohio State University in Columbus was chosen as chair-elect. Dr. Talmadge King, the chair of the department of medicine at the University of California, San Francisco, will serve as secretary-treasurer of the board.

—Jane Anderson