



URGE CMS TO UNDERTAKE THE RESEARCH NEEDED TO ACCURATELY VALUE EVALUATION & MANAGEMENT CODES

The United States is the world leader in training physicians to provide outstanding care to patients. Unfortunately, often our health care systems and payment policies come between the patient and the doctor, increasing the difficulty of delivering that care in a timely and effective manner. That is every bit as true with regard to patients afflicted with liver disease as with any other disease, disorder or condition.

There is little doubt that patients benefit from a close relationship with their doctor – whether that doctor is a hepatologist treating them for hepatitis C or a family practice doctor providing routine health and wellness services. We are committed to ensuring that this close relationship is fostered by the payment and delivery systems that are in place and that patients receive the full benefit of their physician’s expertise. The existing payment system is a barrier to the provision of this type of care.

For the new physician payment system authorized by the Medicare Access and CHIP Reauthorization Act (MACRA) to succeed and to optimize value for patients, the deficiencies of the Physician Fee Schedule (PFS) must be corrected. New payment models are being constructed based on the service codes and valuations of the PFS, which relies upon the Resource-Based Relative Value Scale (RBRVS). The outpatient evaluation & management (E/M) codes fail to adequately describe the cognitive work performed during office visits. **Congress should exercise its oversight authority and demand an end to CMS inaction in this area.**

The first step in correcting the longstanding deficiencies of the PFS will be to understand exactly what occurs during cognitive E/M services. With this data, service codes can be properly defined and then appropriately valued. CMS is responsible for the accuracy of the PFS and should fund the research to establish the needed knowledge base.

CMS should use its existing authority to conduct a nationally representative survey of non-procedural physician work to (1) fully describe the landscape of E/M services provided by physicians and other clinicians to Medicare beneficiaries; (2) use the collected data to propose service code definitions that can be used in the PFS and adopted by CPT; and (3) develop a mechanism to propose relative valuations using the RBRVS construct. This research can be modeled on that currently being conducted on the services provided during the surgical global periods.

When the RBRVS was implemented in 1992, the E/M services were not fully defined. There has not been a meaningful update of the definition of these services for nearly three decades. Efforts included in the Affordable Care Act (ACA) to address misvalued services have had little impact on the value of these cognitive E/M services since redistributed RVUs have been spread across the entire fee schedule. Furthermore, the process has been much too slow to catch up with the rapid depletion of the cognitive workforce. CMS add-on codes that can be billed in conjunction with E&M services should only be viewed as a temporary solution until the proposed foundational research can be completed.

Please consider submitting the following report language in support of this effort:

**Centers for Medicare and Medicaid Services
Program Management/Program Operations**

Evaluation and Management Research.- The Committee recognizes that both traditional and innovative payment models included in the Medicare Access and CHIP Reauthorization Act (MACRA) rely on traditional fee-for-service as a foundation for physician payment. MACRA's success depends on the accuracy of the physician fee schedule. However, the existing evaluation and management service codes do not adequately capture the range of evaluation and management work delivered during cognitive encounters. The Committee encourages CMS to commission the research necessary to understand, on the basis of newly collected data, what occurs during and following an evaluation and management service. Once complete, CMS should use these findings to develop new service codes. The Committee expects a report submitted to the Committees on Appropriations of the House of Representatives and the Senate on the status of this research in the fiscal year 2019 CJ.

For more information, please contact Lyle Dennis or Erika Miller at (202) 484-1100.