

## **2009 PHYSICIAN FEE SCHEDULE (Source ACSO)**

The Centers for Medicare & Medicaid Services (CMS) issued its final Medicare physician fee schedule regulations for 2009.

The regulation announces that the Medicare physician conversion factor for 2009 will be \$36.0666, which represents a decrease from the 2008 conversion factor ( \$38.0870 ). Congress took two actions in the Medicare Improvement for Patients and Providers Act (MIPPA) earlier this year which affected the conversion factor:

- 1) MIPPA provides for a 1.1% update (applied to the 2008 conversion factor) in 2009.
- 2) MIPPA requires that budget neutrality for the physician fee schedule be achieved through adjustments to the physician conversion factor, instead of negative adjustments across relative value units (RVUs) for individual services.

As a result of the last 5-Year Review of physician work, RVUs for certain codes increased. Mandated budget neutrality requirements provide that increased payments for some codes due to relative value changes must be offset by reductions in the values of other codes. Previously CMS achieved this offset by adjusting the RVUs. Now Congress has mandated that the adjustment be made to the conversion factor instead.

While the 1.1% update was made and is reflected in the conversion factor, the impact of the budget neutrality adjustment is greater and therefore results in an overall reduction.

The final rule includes a number of provisions in other areas including imaging, e-prescribing, anti-markup, self-referral, and PQRI. We will be reviewing the entire regulation carefully and sending out a comprehensive summary of changes that will affect oncologists, and their estimated impact.

CMS also released the Medicare 2009 Hospital Outpatient Prospective Payment final rule yesterday. The rule finalizes CMS' proposal to reduce drug payments in the outpatient department to ASP+4%. ASCO will also be reviewing and summarizing the hospital outpatient rules shortly.