WISCONSIN HOSPITAL ASSOCIATION

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CMS Issues Proposed 2019 Physician Reimbursement Rule

On July 12, the Centers for Medicare and Medicaid Services (CMS) issued the 2019 proposed rule on physician reimbursement. The rule addresses a wide range of topics of great interest to WHA members, including the following:

Physician fee schedule (PFS): The rule proposes to update physician fee schedule rates by 0.25% in calendar year 2019, as required under the Medicare Access and CHIP Reauthorization Act of 2015 (MACRA).

Site-neutral payments: In the calendar year (CY) 2018 PFS proposed rule, CMS had implemented reductions to nonexcepted services in provider-based departments, setting those rates at 40% of the outpatient prospective payment system (OPPS) rates. In the 2019 proposed rule, CMS proposes to continue to allow nonexcepted provider-based departments to bill for nonexcepted services on the institutional claim and maintain payment for nonexcepted services at 40% of the outpatient prospective payment system amount for CY 2019. CMS also proposes to maintain this same PFS Relativity Adjuster for future years until updated data or other considerations indicate that an alternative adjuster or a change to this approach is warranted.

Telehealth: The rule proposes to expand access to telehealth services by paying clinicians for virtual check-ins—brief, non-face-to-face appointments via communications technology; paying clinicians for evaluation of patient-submitted photos; and expanding Medicare-covered telehealth services to include prolonged preventive services. (See page 2 for more detailed information about this proposal.)

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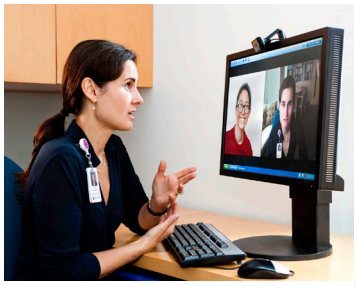
Proposed 2019 Physician Fee Schedule Rule Contains Significant Telehealth Provisions

Continues progress by Congress and CMS in expanding access to telehealth under Medicare



The Centers for Medicare and Medicaid Services' (CMS) proposed 2019 Physician Fee Schedule rule released last week contains several proposals to expand access to telehealth services and telehealth-related services for Medicare beneficiaries.

Specifically, CMS proposes to begin paying for the following services effective January 1, 2019:

- **Virtual Check-In for Established Patients.** CMS proposes to permit a physician or other health care professional qualified to perform an evaluation and management (E/M) service to bill for a brief, non-face-to-face check-in with an established patient via communication technology to assess whether the patient's condition necessitates an office visit.
- **Remote Evaluation of Pre-Recorded Patient Information.** CMS proposes to create specific coding that describes the remote professional evaluation of patient-transmitted information conducted via pre-recorded "store and forward" video or image technology.

CMS also proposes adding Healthcare Common Procedure Coding System (HCPCS) codes for certain prolonged preventive services to the list of telehealth services that are covered under Medicare.

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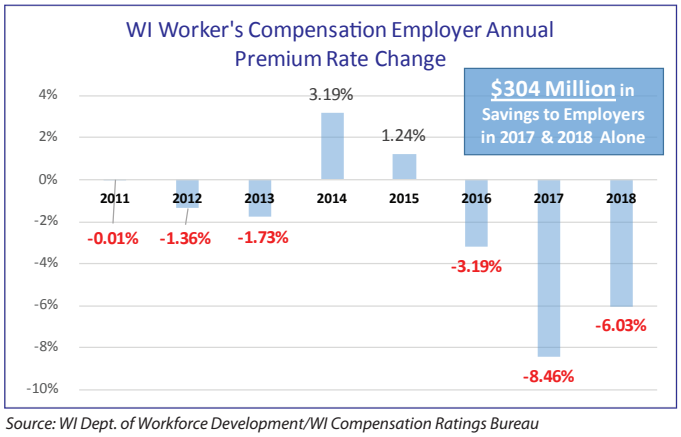
Wisconsin Worker's Compensation Program Announces Employer Rate Decrease…Again

Employers in Wisconsin experience over $300 million savings in last two years alone

Wisconsin's Department of Workforce Development (DWD) announced last week that Wisconsin employers will see a 6.03% reduction in worker's compensation premium rates starting October 1, 2018, after dropping by 8.46% in 2017. Worker's compensation premium rates remain lower in 2018 than they were over a decade ago, with a net annual average change of - 0.88%. Since 2011, the net average annual change has been - 2.04%.

According to announcements from DWD over the last two years, rate reductions in 2017 and 2018 have amounted to $304 million in savings to Wisconsin employers. In 2016, worker's compensation premium rates also dropped by 3.19%. WHA, along with a large coalition of health care providers, encouraged the Legislature again in 2017 to reject a proposed medical fee schedule putting government in the position of determining reimbursement rates for medical providers who treat injured workers. Lawmakers, again, flatly rejected this proposal in the most recent legislative session.

For more information about this recent worker's compensation premium rate decrease, contact WHA Vice President, Public Policy Lisa Ellinger.



Source: WI Dept. of Workforce Development/WI Compensation Ratings Bureau

APC Practice Challenges and Opportunities Focus of WHA Conference – Join WHA September 13

On September 13, WHA will bring together those interested in examining the practice challenges and opportunities for integrated care delivery associated with the use of advanced practice clinicians (APCs). *WHA Advanced Practice Clinician Conference: A Comprehensive Look at APC Practice Challenges and Opportunities for Integrated Care Delivery in Wisconsin* is scheduled September 13 at Glacier Canyon Lodge at The Wilderness Resort in Wisconsin Dells. Additional information and registration are available online.

Team-based care models that utilize nurse practitioners, physician assistants, certified registered nurse anesthetists and other advanced practice clinicians (APCs) are increasingly important to integrated care delivery models in Wisconsin hospitals and clinics. APCs play a vital role on the teams that provide high-quality, high-value health care in Wisconsin.

The conference will provide a broad review of key regulations and payment policies, education and training, scope of practice, and onboarding and retention trends. "Successfully navigating integration of APC practice within a complex framework of federal and state laws, regulations and accreditation standards is vital in building the workforce and health care teams necessary now and in the future," notes WHA Vice President, Workforce and Clinical Practice Ann Zenk. "It is essential for key stakeholders to have a common understanding of this framework."

This one-day conference is designed for hospital and clinic leaders, clinicians in leadership and practice roles, human resources and recruiting specialists, and others who need to understand and navigate nuances, limitations and opportunities to support and maximize the integration of APCs within their organizations.

Registration is now open. A full conference brochure can be viewed here. Questions about conference content can be directed to Ann Zenk or Matthew Stanford. Registration questions can be directed to Kayla Chatterton or call 608-274-1820.

New Grants Help Increase Access to Health Care in Rural Areas

The Wisconsin Department of Health Services awarded the first round of grants to help rural health care providers increase the number of physician assistants and advanced practice registered nurses. These grants are modeled after a successful matching-grant initiative crafted by WHA and proposed by Gov. Scott Walker in the 2013-15 biennial budget to expand capacity for physician residency experiences in Wisconsin.

Grants totaling more than $300,000 were awarded to:

- Ascension St. Mary's Rhinelander
- Aspirus Office of Medical Education Wausau
- Columbus Community Hospital
- Gundersen Boscobel Area Hospital and Clinics
- Mayo Clinic Health System Northwest Wisconsin Region, Inc., Eau Claire
- Monroe Clinic
- Sauk Prairie Healthcare, Inc.
- Stoughton Hospital

WHA President/CEO Eric Borgerding notes, "Applying this same concept to training for advanced practice clinicians and allied health professionals will expose more individuals to rural communities and help address rural workforce shortages. This 'grow our own' strategy is another great example of bipartisan policymaking to support the workforce needed to sustain Wisconsin's top-quality health care."

CMS Requesting Comment on Impact of Physician Self-Referral "Stark Law"

The federal Centers for Medicare and Medicaid Services (CMS) released a Request for Information (RFI) in late June seeking comment on how to address any undue regulatory impact and burden of the physician self-referral law, better known as the Stark Law. WHA recently highlighted this issue during its member visits to Capitol Hill this last May.

The Stark Law has its roots in a 1989 law named after its lead author, former California Congressman Pete Stark. In an era where Medicare paid health care providers based on the volume of services provided, its goal was to ensure physicians refer patients for services and tests only based on whether they are necessary, by making sure physicians do not receive financial incentives for such referrals.

As part of its Patients over Paperwork initiative, CMS became aware of many concerns hospitals and health systems have expressed over the amount of time and resources needed to comply with the law's numerous regulations. CMS is particularly interested in how the law impacts providers participating in (or considering participating in) integrated delivery models, alternative payment models, and arrangements designed to reward improvements in quality and reductions in cost. The RFI includes 20 questions, most of which focus on understanding how the law's current exceptions and definitions are working as well as understanding the current cost of compliance.

WHA staff are evaluating the RFI, which is open for comment through August 24, 2018. Anyone with questions or comments about the RFI may contact Jon Hoelter, WHA director of federal and state relations. Those looking to submit comments may submit them electronically by going to http://www.regulations.gov and following the "Submit a comment" instructions.

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These proposals follow other recent actions taken by Congress and CMS to expand access to telehealth and telehealth-related services for Medicare beneficiaries. As reported in February's *Valued Voice*, when Congress passed the Bipartisan Budget Act of 2018, it expanded access to Medicare telehealth stroke services for patients located in a rural area. It also expanded access to Medicare telehealth dialysis services for patients located in their homes. Similarly, in the 2018 Physician Fee Schedule rule, CMS added several items to the list of telehealth services covered under Medicare, and permitted professionals to bill separately for remote patient monitoring.

For more information, contact Andrew Brenton, WHA assistant general counsel, at 608-274-1820.

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Evaluation and Management documentation: Among other changes to coding and documentation requirements, the rule proposes to collapse the payment rates for levels two through five of evaluation and management codes—which make up about 20 % of allowed charges under the physician fee schedule.

Payment for Medicare Part B drugs: Among other changes, the rule proposes a policy change so that its payments for Part B drugs more closely match the actual costs of the medications being delivered. The proposed payment reduction for new Part B drugs from the rate of Wholesale Acquisition Cost (WAC) plus 6% to WAC plus 3%. This rate would only apply while average sales price data are unavailable.

Quality Payment Program changes: Several changes to the Merit-Based Incentive Payment System (MIPS) are proposed in the rule. Some of these changes include:

- Removing MIPS process-based quality measures that have been deemed as "low value" or "low priority."
- Increasing the weight of the MIPS cost category to 15%, while lowering the weight of the quality category to 45%.
- Overhauling the MIPS Promoting Interoperability category to allow consumers better access to their own health data, and to align the performance category requirements with the Promoting Interoperability Program proposed for hospitals in the inpatient prospective payment system (IPPS) rule.

CMS said it would also explore ways to make health care costs more transparent and understandable to everyday patients. Much like previously proposed rules, the agency has included a request for information asking how standard charges should be defined, the type of pricing information that would be most helpful to seniors, details around out-of-pocket costs and whether patients should be told what Medicare actually pays for a given service.

Over the next few weeks, WHA staff will analyze this proposed rule and submit comments to CMS. Comments are due by September 10, 2018.

For further information on the proposed rule, contact Laura Rose, Vice President of Policy Development, or Jon Hoelter, WHA Director of Federal and State Relations.