

Small Entity Compliance Guide

Medicare Program; Payment Policies under the Physician Fee Schedule, Five-Year Review of Work Relative Value Units, Clinical Laboratory Fee Schedule: Signature on Requisition, and Other Revisions to Part B for CY 2012

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The Small Business Regulatory Enforcement Fairness Act of 1996 (SBREFA, Pub. L. 104-121, as amended by Pub. L. 110-28, May 25, 2007) contains requirements for issuance of "small entity compliance guides." Guides are to explain what actions affected entities must take to comply with agency rules. Such guides must be prepared when agencies issue final rules for which agencies were required to prepare a Final Regulatory Flexibility Analysis under the Regulatory Flexibility Act (RFA).

The complete text of this final rule with comment period can be found on the CMS Web site on the Physician Center page at: <http://www.cms.hhs.gov/center/physician.asp>.

This final rule with comment period implements changes to the physician fee schedule (PFS) and other Medicare Part B payment policies to ensure that our payment systems are updated to reflect changes in medical practice and the relative value of services. It finalizes the calendar year (CY) 2011 interim relative value units (RVUs) and issues interim RVUs for new and revised procedure codes for CY 2012.

It also addresses, implements or discusses certain statutory provisions including provisions of the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act of 2010 (collectively known as the Affordable Care Act) and the Medicare Improvements for Patients and Providers Act (MIPPA) of 2008. In addition, this final rule with comment period discusses payments for Part B drugs; Clinical Laboratory Fee Schedule: Signature on Requisition; Physician Quality Reporting System; the Electronic Prescribing (eRx) Incentive Program; the Physician Resource-Use Feedback Program and the value modifier; productivity adjustment for ambulatory surgical center payment system and the ambulance, clinical laboratory, and durable medical equipment prosthetics orthotics and supplies (DMEPOS) fee schedules; and other Part B related issues.

This final rule with comment period also, in accordance with the statute, announces that: the total reduction to PFS payment rates between December 2011 and January 2012, under the law as of November 1, 2011, would be -27.4 percent; the preliminary estimate for the sustainable growth rate (SGR) for CY 2012 would be -16.9 percent; and, as calculated under the law as of November 1, 2011, the conversion factor for CY 2012 would be \$24.6712.

For purposes of the RFA, physicians, nonphysician practitioners (NPPs), and suppliers including independent diagnostic testing facilities (IDTFs) are considered small businesses if they generate revenues of \$10 million or less based on Small Business Administration (SBA) size standards.

Approximately 95 percent of physicians are considered to be small entities. There are over 1 million physicians, other practitioners, and medical suppliers that receive Medicare payment under the PFS.

The effects of this final rule with comment period vary considerably by provider type. It does substantially reduce payments under the PFS as a result of applying the scheduled updates to the conversion factor that, according to current law, will take place January 1, 2012.

This rule imposes no direct Federal compliance requirements on affected entities. In order to assist physicians and others in understanding and adapting to changes in Medicare billing and payment procedures and amounts, we have developed a Web page for physician services that includes substantial downloadable explanatory materials at <http://www.cms.hhs.gov/center/physician.asp>. Additional material on the PFS can also be found at the Web page: <http://www.cms.hhs.gov/PhysicianFeeSched/>. There are also Medicare Learning Network articles related to the physician fee schedule at: http://www.cms.hhs.gov/MLNMattersArticles/01_Overview.asp#TopOfPage.

The Internet Only Manual at <http://www.cms.hhs.gov/Manuals/> is also updated to reflect changes in policy that may be included in the rule.