



New Coding Rules: Triumph or Turmoil?



In July 2018, the Centers for Medicare and Medicaid Services made its first proposals to overhaul the primary payment methodology for outpatient services in over 20 years. In an attempt to simplify documentation, bill submission, and compliance requirements, CMS made a bold move that will materially change the way physicians and advanced-practice providers (APPs) manage their clinical work flows.

In essence, the recommendation was to eliminate the variable payments for the different Evaluation and Management levels (eg, 99202-05 and 99212-15), and instead pay one rate for all levels. The fixed fee proposal was combined with significant documentation requirement reductions intended to allow providers to spend more time with patients. Once implemented, clinicians would be able focus their documentation on what is relevant, rather than counting elements and points to ensure compliant and accurate coding. In the proposed model it was estimated that physicians would see an average reimbursement impact of +/- 1%, while gaining significant efficiencies, reduced administrative costs, and more time with patients. All in all, it sounded like a pretty big win for most physicians and it was slated to go into effect January 2019.

Through the second half of 2018, CMS solicited feedback and, predictably, there was pushback from some in the physician community. Particular concern was expressed by specialties that treat more complex patients, spend more time per visit, and code higher levels of service on average (eg, rheumatology and oncology). This prompted a pause and delay for the proposed changes, as well as an extension of the opportunity for public comment. The new proposal carves out Level 5 E&M codes for a separate level of reimbursement. And, for better or worse, the new proposal moves the implementation of the final rule to calendar year 2021.

So what does all this mean for the typical urgent care practice? According to the 2019 proposal, the typical family medicine physician would see no material reimbursement impact in the new rule. The impact with the Level 5 carveout is not expected to be materially different. Interestingly, nurse practitioners and physician assistants are predicted to see a 3%

increase in reimbursement, according to the CMS report; however, it is unclear whether this reflects changes to the rules for incident-to billing or merely lower coding habits of APPs.

More important, however, is the potential of the new rules to lower administrative burdens, improve efficiency, and reduce the anxiety associated with coding compliance. Consider that Level 2, 3, and 4 visits will only require documentation of a Level 2 code. Practitioners will be free to document clinically relevant information without the burden of documenting to support a code. The efficiencies gained could be significant and, with that, productivity should rise.

While not specifically assessed in the CMS report, any improvement in productivity will have a 100% return and could be very significant. In addition, the impact to administrative costs should not be overlooked. The need for certified coders and extensive audits could be dramatically reduced with the new rules, along with denial rates, while cash flow improves. This administrative and fiscal relief will directly hit the bottom line. In addition, the distracting burden of coding compliance and the anxiety it generates should improve professional satisfaction and eliminate a major factor in physician burnout. It should also be noted that private payers routinely follow the CMS lead on coding rules, so any change will quickly be universal.

While we now must wait until 2021 for full implementation, the proposed rule changes appear very favorable overall for the urgent care provider and practice owner. The progress made by CMS to reduce the clinically irrelevant burdens that plague modern day medicine is commendable and the quick response and openness to public comment signifies a serious commitment to these critical reforms. In all, I can confidently call it a "triumph" for urgent care providers and patients alike. ■

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