Audiology Summary of 2012 Medicare Physician Fee Schedule

On November 1, 2011, the Centers for Medicare and Medicaid Services (CMS) released the final rule for the 2012 Medicare Physician Fee Schedule (MPFS). Each year CMS establishes a conversion factor (CF) that is used as a multiplier of the total relative value units (RVUs) for each procedure. The current CF is $33.9764. Unless Congress acts, the CF is scheduled to be reduced to $24.6712, effective January 1, 2012. This would represent a 27.4% reduction from current payments and would affect all payments under the MPFS. Although this reduction is mandatory because of a statutory formula known as the Sustainable Growth Rate (SGR), there is every indication that Congress will enact legislation to prevent this reduction from occurring nearly every year since initiation of the SGR. The Congressional Deficit Reduction Committee (Super Committee) may make related recommendations, required by November 23, 2011.

Members can view ASHA's complete analysis of the 2012 fee schedule, including specific fees, by November 14, 2011, on our Billing & Reimbursement Website.

Sampling of Expected 2012 Audiology Fees

CPT	% RVU Change	2012 Non-Facility Fee, with expected legislative intervention	2012 Non-Facility Fee, without legislative intervention
92540 Basic vestibular evaluation	+2.8%	$99.89	$72.53
92550 Tympanometry & reflex	0.0%	20.73	15.05
92557 Comprehensive hearing test	-3.36%	39.07	28.37
92585 Auditory evoked potentials, comprehensive	+9.28%	124.01	90.05
92587 Otoacoustic emissions, limited [*descriptor revised*]	-23.85%	28.20	20.48
92588 Otoacoustic emissions, comprehensive [*descriptor revised*]	-35.38%	42.81	31.09

One New & Two Revised OAE Codes

New for 2012 is a screening code, 92558, for evoked otoacoustic emissions (OAE) with automated analysis. It includes qualitative measurement of distortion product or transient evoked OAE. As a screening procedure, there are no RVUs assigned and the service will not be reimbursed by Medicare.

CPT 92587 is now termed a distortion product evoked OAE. The descriptor has been revised but remains a limited evaluation and now requires an interpretation and report. CPT 92588 remains a comprehensive evoked OAE but has been revised to require a minimum of 12 frequencies. ASHA joined with other audiology organizations in a survey of typical work time and other work factors and presented the survey results to the American Medical Association's

Relative Value Update Committee Health Care Professionals Advisory Committee (RUC/HCPAC). The RUC HCPAC recommended 0.45 work RVUs for 92587 and 0.60 work RVUs for 92588 to CMS. However, CMS disagreed with the RUC HCPAC's recommendations and assigned 0.35 work RVUs for 92587 and 0.55 work RVUs for 92588 because of their interpretation of the amount of work involved with the procedures.

Multiple Procedure Payment Reduction (MPPR)

Under the MPPR policy, Medicare currently reduces payment for the second and subsequent therapy, surgical, nuclear medicine, and advanced imaging procedures furnished to the same patient on the same day. At this time, there are no audiology procedures affected by the MPPR policy. However, in the proposed 2012 MPFS regulation, CMS asked for comments regarding possible extensions of the MPPR including applying it to the technical component of all diagnostic tests other than advanced imaging services. ASHA submitted comments regarding the current number of bundled audiology CPT procedures that already include multiple procedure reductions. CMS noted that it is not expanding MPPR at this time but "will take the comments into consideration as we develop future proposals."

Physician Quality Reporting System (PQRS)

CMS will continue the current audiology PQRS measures and is adding a fourth measure for 2012, referral for patients with acute or chronic dizziness. ASHA participated in the PQRS Measures Owners group in the development of the new measure. The current audiology measures are referral for otologic evaluation for patients with: congenital or traumatic deformity of the ear; history of active drainage from the ear within the previous 90 days; and a history of sudden or rapidly progressive hearing loss.

Providers reporting on claims-based measures need only report on 50% of patients that fit into a measure. For 2012-2014, the incentive payment for satisfactorily reporting on measures is 0.5% of all allowable Medicare charges for that reporting period. Beginning in 2015, eligible professionals that do not satisfactorily report on quality measures will be subject to a payment reduction of -1.5%. See ASHA's Audiology PQRS page for additional information.

Settings Qualified for Non-Facility Rates (Audiology Services)

In general, if services are rendered in one's own office, the Medicare fee is higher (i.e., the non-facility rate) because the practitioner is paying for overhead and equipment costs. The audiologist receives a lower rate when the service is rendered in a facility because the facility incurs overhead/equipment costs. Skilled nursing facilities are the most common applicable facility setting because hospital outpatient departments are not paid under the Medicare Physician Fee Schedule. Therapy services, such as speech-language pathology services, are allowed at non-facility rates in all settings (including facilities) because of a section in the Medicare statute permitting these services to receive nonfacility rates regardless of the setting. ASHA asked CMS for clarification regarding audiology and CMS responded succinctly that the facility rate applied to all facility settings for audiology services.