

Medicare Issues 2009 Payment Rates for Physicians

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On October 30, the Centers for Medicare & Medicaid Services (CMS) released the final rule for the Medicare Physician Fee Schedule (MPFS) for 2009. Overall, CMS estimates that the average general surgeon will be paid three percent more by Medicare in 2009 than in 2008. This general increase is attributed to the Medicare Improvements for Patients and Providers Act (MIPPA) requirement of a 1.1 percent increase in the conversion factor as well as a provision that eliminated the two-year old budget neutrality adjustment to physician work values in favor of achieving budget neutrality through an across the board reduction in the conversion factor. The adjustment on the work values in the payment formula had been in place over the past two years to offset the large increases in work RVUs for evaluation and management (E&M) services that CMS implemented in 2007.

Despite the fact that both these changes result in a conversion factor of \$36.066 for 2009 – a 5.3 percent reduction from the 2008 conversion factor of \$38.087, bariatric surgeons and other physicians who perform services in the hospital setting with high work values or those performing E&M services will see payment increases. Those physicians that furnish services with low work values and a high practice expense component (such as office based imaging) will experience payment decreases. This is because those services with high work values are not receiving as major of a reduction because CMS is now spreading the budget neutrality adjustment across all three components of the fee schedule (work, practice expense and malpractice RVUs) whereas for the last two years, the reduction was focused solely on the work RVUs.

Comparison of Medicare Physician Fee Schedule National Payments (2008–2009)

CPT Code	Description	2008 facility Payment	2009 Facility Payment	Percentage Change
43644	Lap gastric bypass/roux-en-y	\$1,507.10	\$1,557.72	3.4%
43645	Lap gastr bypass incl smll i	\$1,615.27	\$1,668.44	3.3%
43842	V-band gastroplasty	\$1,071.01	\$1,159.90	8.3%
43843	Gastroplasty w/o v-band	\$1,097.67	\$1,137.54	3.6%
43845	Gastroplasty duodenal switch	\$1,716.20	\$1,763.66	2.8%
43846	Gastric bypass for obesity	\$1,416.07	\$1,467.19	3.6%
43847	Gastric bypass incl small i	\$1,553.19	\$1,603.52	3.2%
43848	Revision gastroplasty	\$1,680.40	\$1,740.57	3.6%