

Medicare released Proposed Physician Fee Schedule for 2017 Holding Steady on Most Radiation Oncology Allowances.

On July 7, the 2017 Medicare Physician Fee Schedule (PFS) proposed rule was posted on the CMS website, and, for a change—and thanks to Congressional action—it does not include substantial overall payment reductions for radiation oncology services provided in freestanding settings. While the Proposed Rule for 2017 does raise some issues warranting comment, freestanding facilities will be able to breath a well-deserved sigh of relief, as the result of Congressional action essentially freezing treatment code allowances in 2017. The freestanding radiation oncology community pushed Congress hard for the freeze, which precludes new codes for radiation treatment (and lower allowances) from going into effect.

This temporary respite certainly does not mean that AFROC's work is done. CMS' impact statement suggests that, while radiation oncology payments in the aggregate will not change substantially in 2017, Medicare payment for radiation oncology centers will be reduced by 1%, likely as the result of proposed revaluations of a number of technical component procedures, including radiation treatment device CPT codes (CPT 77332, 77333, 77334): Under the Proposed Rule, the global payment rate for simple and complex treatment devices would be reduced (by approximately -18% and -14%, respectively) while the allowance for intermediate treatment devices would increase. Likewise as the result of proposed revaluation the allowance for special treatment procedures (CPT 77470) would be reduced by -7% (with the technical component taking a heavy -19% hit), and global allowances for hyperthermia codes (CPT 77600, 77605, 77610, 77615) would be reduced by up to -14%. AFROC will be reviewing the proposed allowances for revalued codes carefully to determine whether a case can be made for increasing proposed allowances.

In addition, despite the Congressional freeze, the proposed allowance for one treatment code -- CPT 77412 (Radiation treatment delivery, 3 or more separate treatment areas, custom blocking, tangential ports, wedges, rotational beam, compensators, electron beam; up to 5 MeV) --would be reduced by over 10%. We plan to investigate this proposed reduction and file comments accordingly.

Please note, too, that radiation oncology centers may see changes in their allowances as the result of modifications of the geographic adjustments built into the PFS. These changes are to be phased in in 2017 and 2018.

As always, we appreciate your continued support.