

Academy Analysis of the 2012 Physician Fee Schedule Final Rule

On November 1, 2011, the Centers for Medicare & Medicaid Services (CMS) released the [Medicare Physician Fee Schedule final rule](#) (MPFS) that updates payment rates and other policies under the Medicare physician fee schedule for services furnished on or after January 1, 2012. The following provides American Academy of Audiology (Academy) members with a comprehensive summary of the areas critical to the audiology profession.

Fee Schedule Payments

Under this rule, audiologists and other health care professionals are slated to receive a 27.4% cut in Medicare payments across the board due to the flawed sustainable growth rate (SGR) formula. For the past several years, Congress has taken action to avoid these cuts prior to their effective date and they are currently seeking a fix to again avoid these drastic cuts. In its current state, the 2012 MPFS will apply a conversion factor (CF) of \$33.9764. The CF is utilized as a multiplier to determine Medicare CPT code payments for audiology and other services.

New CPT Code and Code Descriptions for Otoacoustic Emissions (OAE)

Effective January 1, 2012, there will be a new OAE CPT code, 92558, to describe evoked otoacoustic emissions screening and new code descriptors for two existing OAE codes, 92587 and 92588, to clarify the otoacoustic emissions evaluations. The CPT code descriptors set forth below appear in the 2012 CPT Manual under the heading: Special Otorhinolaryngologic Services, Audiologic Function Tests.

- **CPT 92558 Description:** Evoked otoacoustic emissions, screening (qualitative measurement of distortion product or transient evoked otoacoustic emissions), automated analysis.
- **CPT 92587 Description:** Distortion product evoked otoacoustic emissions; limited evaluation (to confirm the presence or absence of hearing disorder, 3-6 frequencies) or transient evoked otoacoustic emissions, with interpretation and report.
- **CPT 92588 Description:** Comprehensive diagnostic evaluation (quantitative analysis of outer hair cell function by cochlear mapping, minimum of 12 frequencies), with interpretation and report.

The new code descriptors will guide the audiologist in how to correctly select the appropriate OAE code and file an OAE claim. When determining how to select the correct code, an audiologist should base his or her decision upon the purpose for performing the test and the diagnostic capability of the test equipment (i.e., the number of frequencies performed). In the final rule, CMS has reduced the reimbursement rates for CPT 92587 and CPT 92588 based on CMS' interpretation of the amount of work associated with these procedures, resulting in lower than anticipated rates as the rule currently stands.

Multiple Procedure Payment Reduction (MPPR)

For certain procedures, CMS has implemented an MPPR policy under which payment for a second and any additional procedures performed on the same patient in the same day will be reduced. Currently, this policy only applies to certain therapy, surgical, nuclear medicine, and advanced imaging procedures.

Under the MPFS proposed rule, CMS asked for comments regarding the possible extensions of the MPPR policy to the technical component of all diagnostic tests (beyond advanced imaging services). The Academy is pleased to see that CMS agreed with the Academy's recommendation and rationale that those audiology diagnostic tests codes having a technical component not be included among those codes subject to the MPPR. The Academy will continue to monitor this issue in 2013 and beyond.

The Physician Quality Reporting System (PQRS)

CMS will continue the PQRS in 2012, which will involve bonus payments of .5% of allowed charges for physicians and other health care professionals—including audiologists—who successfully report on eligible measures. Audiologists wishing to participate in PQRS through claims-based reporting must report on 50% of patients who meet the applicable measure criteria.

The following four (4) audiology PQRS measures will be available for reporting in 2012. The first measure, highlighted in bold, is new for 2012:

- **Referral for Otology Evaluation for Patients with Acute or Chronic Dizziness (New measure for 2012 not yet numbered)**
- # 188 Referral for Otologic Evaluation for Patients with Congenital or Traumatic Deformity of the Ear
- #189 Referral for Otologic Evaluation for Patients with History of Active Drainage From the Ear Within the Previous 90 Days
- #190 Referral for Otologic Evaluation for Patients with a History of Sudden or Rapidly Progressive Hearing Loss

CMS will release the detailed measure specifications for participating in the PQRS program on or about November 15, 2011. Stay tuned to the [Academy's PQRS web page](#) for a link to these specifications, information about how to participate, and any related updates.

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Please note that the link to the MPFS final rule found in the first paragraph of this analysis is the CMS preview copy and, as currently formatted, is 1,235 pages long. The official version of the final rule will be published in the Federal Register on November 28, 2011 and the Academy will update the final rule link at that time.