

## CMS Approved Markedly Fewer RUC Proposals Last Year

CMS last year accepted nearly 30 percent fewer physician payment recommendations from the American Medical Association's (AMA) controversial Relative Value Scale Update Committee (RUC) panel than in previous years. The physician specialty-heavy RUC panel has been sharply criticized by family physicians, who recently sent their own payment recommendations to CMS. CMS historically has accepted about 90 percent of the RUC's physician payment recommendations and last year that acceptance rate dropped precipitously to about 60 percent.

A newly released *Health Affairs* analysis of CMS' decisions on updating work values found the agency agreed with 87 percent of the RUC's recommendations on average between 1994 and 2010. There appeared to be a marked decrease in those the agency agreed with in 2010. In 2010, out of 291 work values recommended by the RUC, the agency decreased the recommended value in 79 instances, or 27 percent of the cases, according to the analysis. The previous year, CMS decreased only three of the RUC's 158 work value recommendations.

Past CMS administrators applauded the Agency's heightened scrutiny of recommendations from the AMA's RUC and noted that there should be a more open process for determining physician payment. Many state that there is conflict of interest as the RUC is political because they're dividing up a pot of money. They also said CMS should continue to task an outside body to work on the value of physician services because it would be too difficult for CMS to do on its own. Former CMS administrator Mark McClellan said that reforming the physician pay system to one based on outcomes rather than individual services would make the RUC less relevant.

The American Academy of Family Physicians last year convened a task force out of frustration that the RUC is tilted toward specialty physicians, and sent its own recommendations to CMS after the RUC would not take them up. AAFP strongly considered splitting from the RUC, but ultimately decide not to. The task force recommended that CMS develop a separate set of evaluation and management (E&M) codes that apply only to primary care physicians. The group also asked CMS to assign higher values to billing codes for primary care services and recommended that CMS pay for the increases by decreasing "relative value units" that determine specialists' pay.

CMS is also facing pressure from Capitol Hill to bump up primary care pay. Rep. Jim McDermott (D-WA) urged CMS to draft a new group of E&M codes that would allow primary care physicians to be reimbursed at higher levels by more appropriately reflecting their work, echoing AAFP's recommendations.