December 2, 2014

The Honorable Harry Reid
Majority Leader
U.S. Senate
Washington, DC 20510

The Honorable Mitch McConnell
Minority Leader
U.S. Senate
Washington, DC 20510

The Honorable John A. Boehner
Speaker
U.S. House of Representative
H-232 U.S. Capitol
Washington, DC 20515

The Honorable Nancy Pelosi
Democratic Leader
U.S. House of Representatives
H-204 U.S. Capitol
Washington, DC 20515

Dear Leader Reid, Leader McConnell, Speaker Boehner, and Leader Pelosi:

The undersigned organizations strongly urge Congress to rescind the policy in the 2015 Final Medicare Physician Fee Schedule Rule to transition 10– and 90–day global period codes to 0-day global period codes in 2017, and 2018, respectively.

At a minimum, Congress should stop CMS from implementing the transition of 10- and 90-day global codes to 0-day global codes until Congress has been provided with a methodology that has been endorsed by the medical specialty societies whose procedures will be affected and that has been tested to ensure there is no negative impact on patient care and access.

Background

The Centers for Medicare & Medicaid Services (CMS) recently finalized a policy that ***will transition all 10- and 90-day global codes to 0-day global codes by 2017 and 2018 respectively.*** Global codes include necessary services normally furnished by a surgeon before, during, and after a surgical procedure. Global codes are classified as 0-day (typically endoscopies or some minor procedures), 10-day (typically other minor procedures with a 10-day post-operative period), or 90-day (typically major procedures with a 90-day post-operative period). Approximately 4,200 of the over 9,900 Current Procedural Terminology (CPT) codes are 10- or 90-day global codes. This process will alter the valuation of over 40 percent of CPT codes and will require a tremendous amount of time and resources not congruent with CMS' final timeline.

Despite the fact that the policy will affect 10-day global codes in 2017 and 90-day global codes in 2018, CMS has not yet developed a methodology for making this transition. Indeed, the agency has stated that it does not know how best to proceed. However, in order to implement the change, CMS must begin to transition all these codes no later than February 2016. While CMS will be gathering data on the number of post-operative services to more accurately value the individual services now included in the global, the Medicare Payment Advisory Commission estimates that data collection could take several years – well after the policy has already been implemented.

Rationale

The policy to transition 10- and 90-day global codes to 0-day has a number of potential consequences that should be well understood before implementation:

Detracts from quality of care, impedes patient access, complicates patient copays

- Under the 10- and 90-day global codes, patients typically pay one copay related to all the services covered under the 10- or 90-day global code. If 10- and 90-day global codes are transitioned to 0-day global codes, patients will pay copays on other services as well, including each of the follow-up visits. This could considerably increase the administrative burden on patients, or worse, discourage them from coming back for follow-up care.
- In the hospital critical care setting, the global payment structure allows the surgeon to oversee and coordinate care related to the patient's recovery. Without the global, care will be fragmented and providers will likely be forced to compete for the opportunity to see patients and bill for the care they provide.

Undermines the current SGR legislation and other Medicare reform initiatives

- CMS initiatives for payment are all moving towards larger bundled payments. Deconstruction of the current payment structure for physicians is counterintuitive to the end goal of providing more comprehensive and coordinated care for the patient.
- Current bipartisan, bicameral legislation, to repeal and replace the flawed sustainable growth rate formula calls for a "period of stability" in physician pay to allow physicians to transition to alternative payment models. This proposal intends to introduce new complexities into an already flawed system and stymie that progress.

Increases administrative burden

- The administrative burden on surgical practices and CMS (and its contractors) will be significant. The American Medical Association estimates that eliminating the global package will result in 63 million additional claims per year to account for post-surgical evaluation and management services. Clearly, this will add unnecessary costs to the claims processing system.

Obstructs clinical registry data collection and quality improvement

- If patients forgo follow-up treatment or seek it from other providers, this policy would have a deleterious effect on surgeons' ability to collect information on patient outcomes in clinical registries, undermining many of the most meaningful quality improvement initiatives.

Because this policy will have a wide-ranging negative impact on patients, physicians, hospitals, third-party payers, and CMS, we recommend that Congress take the necessary steps to prevent CMS from implementing this policy.

Suggested Legislative Language

Treatment of Surgical Services

Sec. 1848(b) of the Social Security Act (42 U.S.C. 1395w–4) is amended—

(1) by adding at the end the following new paragraph:

‘‘(8) The policy included at 79 FR 67582 through 67591 (November 13, 2014) shall be rescinded.”

Sincerely,

American Academy of Dermatology Association

American Academy of Facial Plastic and Reconstructive Surgery

American Academy of Ophthalmology

American Academy of Otolaryngology – Head and Neck Surgery

American Association of Neurological Surgeons

American Association of Orthopaedic Surgeons

American College of Cardiology

American College of Mohs Surgery

American College of Osteopathic Surgeons

American Congress of Obstetricians and Gynecologists

American College of Surgeons

American Medical Association

American Osteopathic Academy of Orthopedics

American Osteopathic Association

American Society for Dermatologic Surgery Association

American Society for Mohs Surgery

American Society of Anesthesiologists

American Society of Cataract and Refractive Surgery

American Society of General Surgeons

American Society of Metabolic and Bariatric Surgery

American Society of Plastic Surgeons

American Urogynecologic Society

American Urological Association

Congress of Neurological Surgeons

Society of American Gastrointestinal and Endoscopic Surgeons

Society of Gynecologic Oncology

Society for Vascular Surgery

The American Society of Breast Surgeons

The Society of Thoracic Surgeons

cc: The Honorable Ron Wyden, Chairman, Senate Committee on Finance
The Honorable Orrin Hatch, Ranking Member, Senate Committee on Finance
The Honorable Barbara Mikulski, Chairwoman, Senate Committee on Appropriations
The Honorable Richard Shelby, Ranking Member, Senate Committee on Appropriations
The Honorable Fred Upton, Chairman, House Committee on Energy and Commerce
The Honorable Henry Waxman, Ranking Member, House Committee on Energy and Commerce
The Honorable Joe Pitts, Chairman, House Committee on Energy and Commerce, Heath Subcommittee
The Honorable Frank Pallone, Ranking Member, House Committee on Energy and Commerce, Health Subcommittee
The Honorable Dave Camp, Chairman, House Committee on Ways & Means
The Honorable Sander Levin, Ranking Member, House Committee on Ways & Means
The Honorable Kevin Brady, Chairman, House Committee on Ways & Means, Health Subcommittee
The Honorable Jim McDermott, Ranking Member, House Committee on Ways & Means, Health Subcommittee
The Honorable Harold Rogers, Chairman, House Committee on Appropriation
The Honorable Nita Lowey, Ranking Member, House Committee on Appropriation