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3 Title: Financial Impact and Fiscal Transparency of the American Medical
4 Association Current Procedural Terminology Program

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6 Introduced by: David Whalen, MD, for the Kent County Delegation

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8 Original Authors: Patrick Droste, MD, and Megan Edison, MD

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10 Referred To: Reference Committee A

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12 House Action: **APPROVED**
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15 Whereas, the 2020 COVID-19 pandemic and restrictions brought unprecedented financial
16 strain upon physicians, with the most recent Physician Foundation survey showing 12 percent of
17 physicians either closing or planning to close their practice within the next year (75 percent of
18 those physicians are in private practice), and nearly 75 percent of physicians reported lost income,
19 and

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21 Whereas, in the middle of this crisis, the new AMA Current Procedural Terminology®
22 (CPT®) Evaluation and Management coding system went live on January 1, 2021, completely
23 changing the Evaluation and Management (E&M) coding system and reimbursement for the first
24 time in 24 years, and

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26 Whereas, the timing of this change could not have come at a worse time for physicians still
27 reeling from the pandemic and new insurance contracts not yet negotiated, and

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29 Whereas, each patient encounter and experience is unique, and attempts to create a system
30 to accurately reflect the care given within hundreds of specialties and thousands of patient visits is
31 very difficult and likely to be inadequate, and

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33 Whereas, failure to account for all patient interactions and care within a medical coding
34 system will financially harm physicians in these overlooked areas of medicine, and

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36 Whereas, the adverse consequences of the new CPT® system have not been studied, but
37 early feedback among physicians shows this new CPT® system focuses on chronic care, thereby
38 excluding nearly every pediatric diagnosis, and

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40 Whereas, the new CPT® system rewards ordering prescriptions, lab tests, and studies,
41 rather than watchful waiting and counseling, and

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43 Whereas, the new CPT® system prevents private practice physicians from counting in-
44 house labs and studies towards the complexity of care, but allows hospital employed physicians to
45 do so, and

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47 Whereas, the new CPT® system awards higher levels of reimbursement for curbing a
48 specialist, thereby encouraging and codifying a system of uncompensated care by specialists, and

49 Whereas, while the intent of this coding change may have been noble, the fallout and
50 failures need to be studied and modified to create a fair system among private and employed
51 physicians, reflective of the complexity of care within all specialties, and respectful of
52 uncompensated care by our specialist colleagues, and

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54 Whereas, the physicians in this country deserve to know the finances behind the AMA CPT®
55 coding system that we are required to participate in; therefore be it

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57 RESOLVED: That the Michigan Delegation to the American Medical Association (AMA)
58 request that our AMA study and report the financial impact of the new 2021 CPT® Evaluation and
59 Management coding system upon physicians, among all specialties, in private and employed
60 practices; and be it further

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62 RESOLVED: That the Michigan Delegation to the American Medical Association (AMA) ask
63 our AMA to publicly disclose all revenue generated by the proprietary CPT® program in a
64 transparent fashion, including but not limited to licensing fees, royalties, electronic health record
65 fees, government and institutional licensing fees, handbooks, training programs, coding apps, and
66 print-based coding resources in a yearly report.

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69 WAYS AND MEANS COMMITTEE FISCAL NOTE: Resolutions only requesting new or revised MSMS
70 or AMA policy - \$500

STATEMENT OF URGENCY: The 2021 American Medical Association (AMA) Current Procedural Terminology® (CPT®) Evaluation and Management went live on January 1, 2021. It is currently affecting physician reimbursement. Failure to address any potential harm in a timely manner will result in more practice closures and worsen patient access to physicians. This resolution asks the AMA to study and provide fiscal transparency on an issue that is very pertinent to practicing physicians right now.

Relevant MSMS Policy:

None

Relevant AMA Policy:

AMA CPT Editorial Panel and Process H-70.973

The AMA will continue (1) to work to improve the CPT process by encouraging specialty societies to participate fully in the CPT process; (2) to enhance communications with specialty societies concerning the CPT process and subsequent appeals process; and (3) to assist specialty societies, as requested, in the education of their members concerning CPT coding issues.

Preservation of Evaluation/Management CPT Codes H-70.985

It is the policy of the AMA to (1) oppose the bundling of procedure and laboratory services within the current CPT Evaluation/Management (E/M) services;
(2) oppose the compression of E/M codes and support efforts to better define and delineate such services and their codes;
(3) seek feedback from its members on insurance practices that advocate bundling of procedures and laboratory services with or the compression of codes in the CPT E/M codes, and express its views to such companies on behalf of its members;

(4) continue to work with the PPRC and all other appropriate organizations to insure that any modifications of CPT E/M codes are appropriate, clinically meaningful, and reflective of the considered views of organized medicine; and

(5) work to ensure that physicians have the continued opportunity to use CPT as a coding system that is maintained by the medical profession.

Use of CPT Editorial Panel Process H-70.919

Our AMA reinforces that the CPT Editorial Panel is the proper forum for addressing CPT code set maintenance issues and all interested stakeholders should avail themselves of the well-established and documented CPT Editorial Panel process for the development of new and revised CPT codes, descriptors, guidelines, parenthetical statements and modifiers.

CPT Coding System H-70.974

1. The AMA supports the use of CPT by all third party payers and urges them to implement yearly changes to CPT on a timely basis.

2. Our AMA will work to ensure recognition of and payment for all CPT codes approved by the Centers for Medicare & Medicaid Services (CMS) retroactive to the date of their CMS approval, when the service is covered by a patient's insurance.

Physicians' Current Procedural Terminology H-70.972

The AMA (1) continues to seek ways to increase its efforts to communicate with specialty societies and state medical associations concerning the actions and deliberations of the CPT Maintenance process; (2) urges the national medical specialty societies to ensure that their representatives to the CPT process are fully informed as to their association's policies and coding preferences; and (3) urges those specialty societies that have not nominated individuals to serve on the CPT Advisory Committee to do so.

Source:

<http://physiciansfoundation.org/wp-content/uploads/2020/08/20-1278-Merritt-Hawkins-2020-Physicians-Foundation-Survey.6.pdf>