

On July 3, the Centers for Medicare & Medicaid Services (CMS) released the proposed 2015 Medicare Physician Fee Schedule (PFS) [rule](#). This proposal included a number of important changes, and if finalized:

- Expands the physician Value-Based Payment Modifier (VM) to be applied to all physicians and non-physician practitioners beginning in 2017, based on 2015 quality and cost performance data. The proposal also would apply the VM to those physicians participating in Medicare Shared Savings Program ACOs, Pioneer ACOs and similar Center for Medicaid and Medicare Innovation (CMMI) initiatives. CMS also proposes to apply up to a -4 percent penalty in 2017 for not meeting certain criteria or poor performance in 2015.
- Increases the number of PQRs measures to report or be faced with penalties. In 2015, physicians would be required to report nine PQRs measures to avoid a penalty of -2 percent in 2017. In addition, the proposal would add a requirement that those using claims or registry reporting methods report from a new “cross-cutting measures list.” There will no longer be an opportunity to earn an incentive in PQRs beginning in 2015.
- Increases the number of quality measures to be reported by Medicare Shared Savings Program (MSSP) ACOs from 33 to 37 measures, including a greater emphasis on outcomes measures. The proposal also would make revisions to ACO quality performance scoring by adding a quality improvement measure to reward year over year improvement.
- Includes a separate payment for providing chronic care management (CCM) services beginning in 2015 if certain requirements are met.
- Enhances transparency in Medicare PFS rate setting by changing the process for receiving information on new and revised codes under the misvalued code process. This aims to ensure by 2016, rate changes for most services are effective only after CMS responds to public comment.
- Adds a number of codes to the list of potentially misvalued codes. CMS also proposes refining the infrastructure costs associated with radiation therapy equipment to ensure costs associated with medical equipment are the same across the PFS. This change would result in a payment reduction to radiation therapy services to be redistributed to other PFS services. CMS also is updating practice expense inputs for x-ray services to reflect that x-rays currently are done digitally rather than with analog film.
- Removes the CME exclusion from the Sunshine Act ([Open Payments](#)) reporting requirements.
- Adds additional physician quality information to the Medicare Physician Compare [website](#) in 2015 and 2016.

As a reminder, the Protecting Access to Medicare Act (PAMA) of 2014 provides for a zero percent Medicare PFS update for services furnished between January 1, 2015 and March 31, 2015. After that time, lacking Congressional action, a 20 percent+ cut would take place. In most prior years, Congress has taken action to avert this reduction in PFS rates before going into effect.

CMS fact sheets on these changes and others included in the proposed rule also are available on the CMS [website](#).