August 14, 2013

The Honorable Marilyn Tavenner
Administrator
Centers for Medicare & Medicaid Services
Department of Health and Human Services
Attention: CMS-1600-P
P.O. Box 8016
Baltimore, MD 21244-8016

Re: Medicare Programs: Revisions to Payment Policies under the Physician Fee Schedule, Clinical Laboratory Fee Schedule and Other Revisions to Part B for CY 2014 [File Code: CMS-1600-P]

Dear Administrator Tavenner:

As CEO of the National Psoriasis Foundation (NPF), I write to you today on behalf of the 7.5 million Americans living with psoriasis. Thank you for the opportunity to provide input on the Revisions to Payment Policies under the Physician Fee Schedule for CY 2014. As the largest psoriasis patient advocacy organization and charitable funder of psoriatic disease research worldwide, the NPF is very concerned about the proposal to drastically reduce phototherapy reimbursements and strongly urges the agency to reconsider these cuts.

Psoriasis is a chronic, painful, inflammatory disease, and the most prevalent autoimmune disease in the United States.1 Of the estimated 7.5 million Americans affected by psoriasis, up to 30 percent may also have psoriatic arthritis, which is often disabling and causes progressive joint damage.2 People with psoriasis have an increased risk of cardiovascular disease,3 diabetes4, hypertension5, and stroke6 independent of other risk factors. Phototherapy is one of the safest and most cost-effective therapies for psoriasis and is a front-line therapy option for certain subsets of psoriasis patients with limited treatment options, including children, pregnant women, nursing women, and immunosuppressed patients.7

The CY 2014 Physician Fee Schedule (PFS) proposal includes significant reductions in payment of 48.52%8 for photochemotherapy code 969109, and 59.82%10 for code 9691211. These sharp cuts in reimbursement would greatly decrease the accessibility of this safe and cost-effective therapy and would drive patients to more expensive and possibly riskier systemic therapies.12 Though CMS aims to reduce costs, if these cuts are implemented patients with psoriasis who rely on phototherapy are likely to be switched to treatments that cost at least 10 times more.13 Currently, many patients have to travel hours to a phototherapy center, and in many places there is not access for hundreds of miles. The proposed reductions in phototherapy reimbursements would likely force many of the remaining phototherapy offices to close.
The rationale underlying the phototherapy cuts in the CY 2014 Physician Fee Schedule is fundamentally flawed because the Outpatient Prospective Payment System (OPPS) and ambulatory surgical center (ASC) payment rates, as grouped into Ambulatory Payment Classifications (APCs), do not evaluate the cost of the resources that are used to provide services in the physician’s office and fails to recognize the extent to which a hospital or ASC may offset the costs of providing these services. There is no evidence that the OPPS or ASC payment rates accurately reflect the cost of providing services in the physician’s office.

The methodology that has been used historically by the agency to identify practice expenses associated with procedures is clear, consistent, and transparent. Rather than arbitrarily capping the PFS to the APC fee schedule, the NPF recommends that the CMS resume use of a transparent formula that clearly reflect the practice expenses associated with procedure codes. Using APCs payment rates as a basis to value services that are performed 90.6% and 91.8% of the time respectively (for codes 96910 and 96912) in a physician’s office is not in the best interest of Medicare beneficiaries.

Should these cuts become final, it is important to note that many of the individuals who are managing their care well on phototherapy may face the financial burden of paying for their medical costs out-of-pocket as physicians opt-out of the Medicare program or may be driven to alternative treatments as practices close phototherapy units. The alternative to phototherapy is systemic therapies that include biologics, which can cost up to $30,000 a year. This is compared to the average cost of phototherapy at $2,000-$3,000 a year. It is important to reiterate that beyond phototherapy being one of the safest and most cost-effective therapies for psoriasis, not every patient may be a candidate for these systemic treatments leaving children, pregnant women, nursing women, and immunosuppressed patients, among others, with few options.

We recognize that these issues are challenging and that there are many factors to consider. Nonetheless, we are seriously concerned about the impact on patient care for the 7.5 million Americans with psoriasis if we lose phototherapy - one of the safest and most cost-effective treatment options. We thank you for your consideration of our comments. If you have any questions about these comments, please contact Leah McCormick Howard, J.D., Director of Government Relations and Advocacy at lhoward@psoriasis.org or at 503-546-5553. Thank you in advance for your consideration.

Sincerely,

Randy Beranek
President and CEO

Cc: Leah McCormick Howard, J.D.
Director, Government Relations and Advocacy

RB: LH


8. The proposed reimbursement for CY 2014 ($39.23) = RVU (1.10) multiplied by Conversion Factor (35.6653). When compared to the reimbursement for CY 2013 ($76.21) = RVU (2.24) multiplied by Conversion Factor (34.023), the CY 2014 proposal represents a reduction of 48.52 percent.

9. CPT Code 96910: Photochemotherapy; tar and ultraviolet B (Goeckerman treatment) or petrolatum and ultraviolet B

10. The proposed reimbursement for CY 2014 ($39.23) = RVU (1.10) multiplied by Conversion Factor (35.6653). When compared to the reimbursement for CY 2013 ($76.21) = RVU (2.24) multiplied by Conversion Factor (34.023), the CY 2014 proposal represents a reduction of 59.82 percent.

11. CPT Code 96912: Photochemotherapy; psoralens and ultraviolet A (PUVA).


14. In 2011, phototherapy services were billed under the OPPS payment system at a rate of: 96910 (37,043 claims) and 96912 (3,066 claims). In the same year, under the physician fee schedule there were 355,369 claims billed to 96910 and 34,444 billed to 96912.


16. National Psoriasis Foundation
August 14, 2013
Page 3