American Academy of Dermatology Association

AADA Federal Advocacy Update

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Academy President-elect

November 16, 2024
Virginia Dermatology Society

@AADmember
@seemalrdesaimd

Greetings from the President!

Seemal R. Desai, MD, FAAD

American Academy of Dermatology Association

21,000+
MEMBERS

POWER
IN
NUMBERS

Advocacy

We are the collective voice of dermatology and advocate effectively on your behalf with *policymakers* and the *public*.

American Academy of Dermatology Association

Legislative advocacy

Advocacy agenda: Top priority

Medicare physician payment reform

Medicare Physician Payment History

Balanced Budget Act of 1997 & Sustainable Growth Rate (SGR) Formula

- 1992 – **Medicare Physician Fee Schedule**
- 1997 – **SGR** established to address concerns about growing spending
- 2002 – **5.4% cut**, leading to annual cycle of projected cuts through 2015
- 2003 - 2015 – Congress intervened with small updates or freezes
- 2015 – **Medicare Access & CHIP Reauthorization Act (MACRA)**
- 2021 – **Changes in Evaluation & Management Codes & Budget Neutrality**

Congressional Action to Avert Cuts

2021 – 10.2% Cut, Congress Intervened, Largely Mitigating Cut

- Late 2020, added 3.75% to conversion factor (CF), delayed primary care specific code (G2211), largely averting impact of cuts
- Dermatology impact: Average 5% increase

2022 – 9.75% Cut, Congress Provided Partial Relief, 0.75% CF cut in Jan. 2022

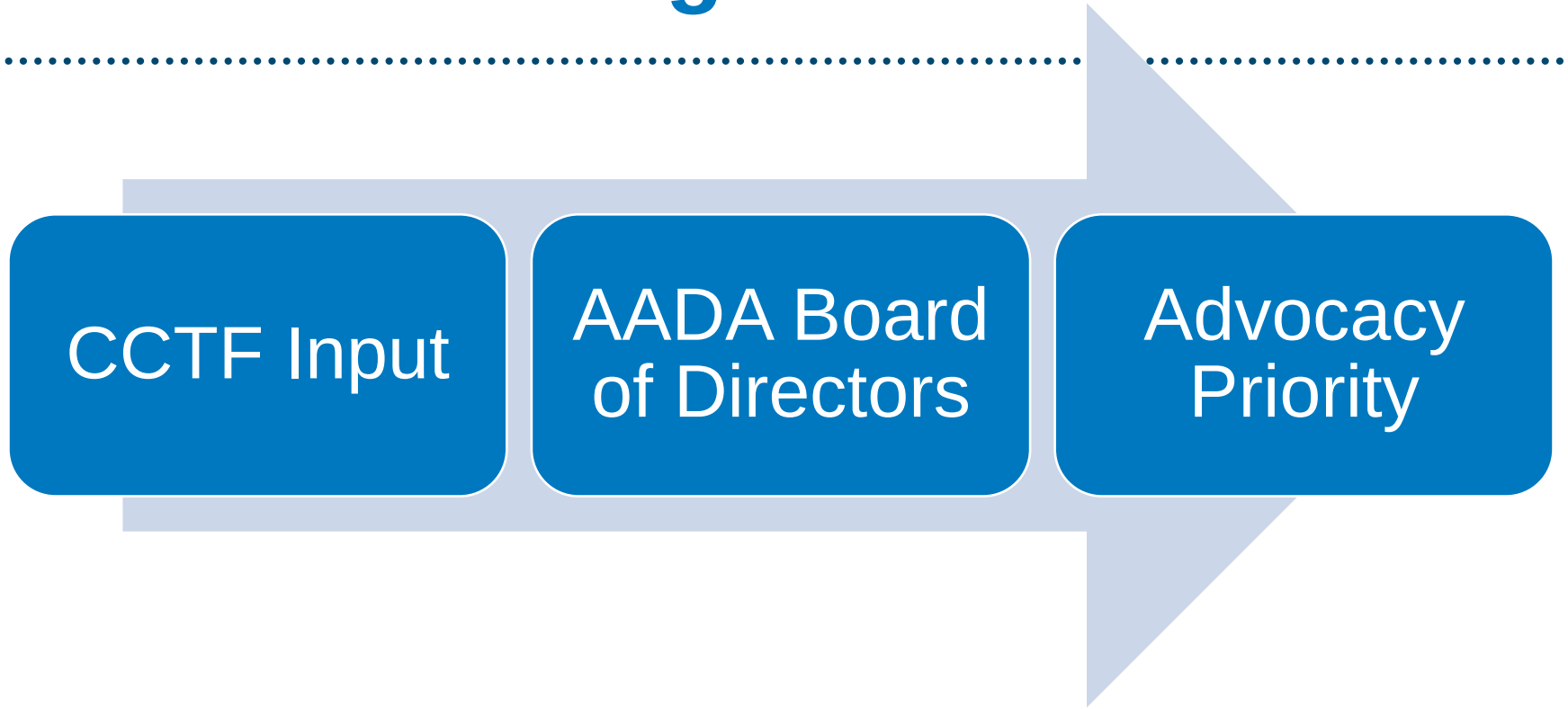
- Late 2021, added 3.0% to CF, waived 4% PAYGO cut, phased in 2% sequester
- Initial 0.75% cut, increased to 2.75% with sequester phase-in

2023 – 8.5% cut, Congress Only Provided Partial Relief, 2% cut in Jan. 2023

- Late 2022, added 2.5% to CF in 2023, waived 4% PAYGO cut, netting 2% cut
- Also, added 1.25% for CF in 2024, and waived 4% PAYGO cut in 2024

2024 – 3.37% Cut, Congress Only Provided Partial Relief, 1.77% cut in March

2024 Legislative Ask

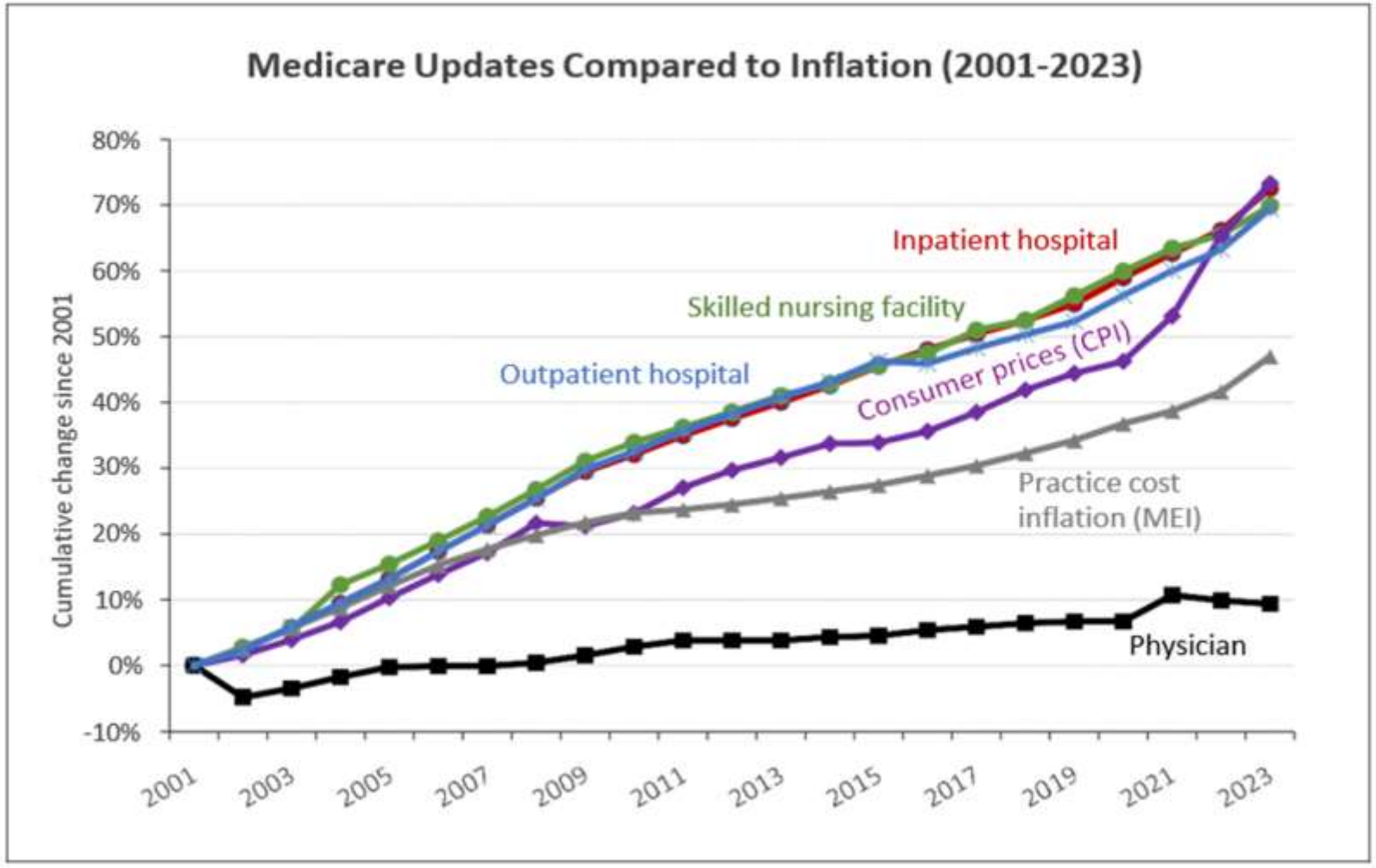


= Medicare Physician Payment Reform

Inflation

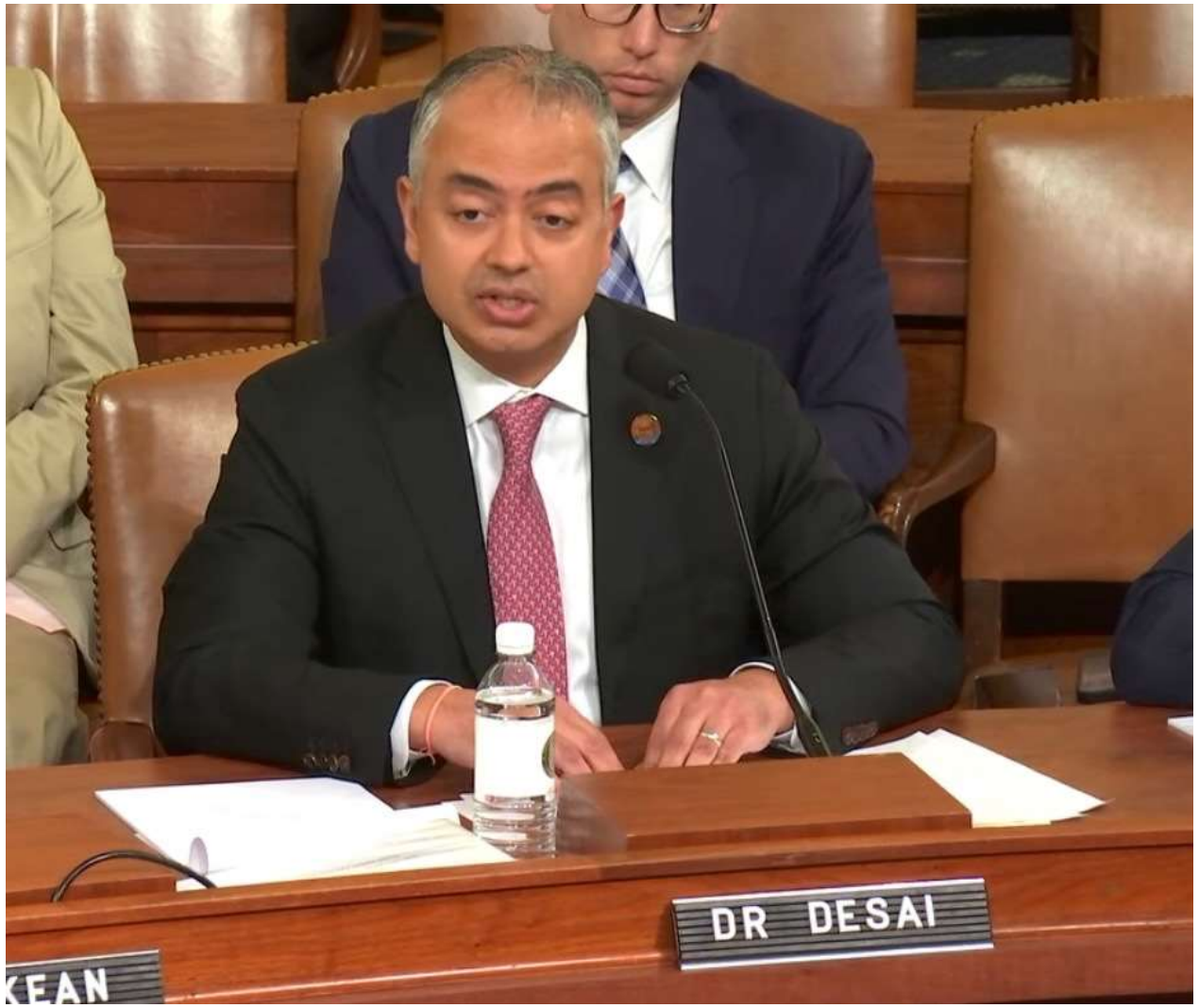
- Since 2001, practice expense has risen 47% while CPI has risen 73%
- Adjusted for inflation, physician reimbursement has declined 30% since 2001
- MEI projected to be 3.6% in 2025

What is MEI? Medicare Economic Index is a measure of practice cost inflation used to estimate annual changes in physicians operating costs and establish appropriate Medicare physician payment updates.



Sources: Federal Register, Medicare Trustees' Reports, Bureau of Labor Statistics, Congressional Budget Office

Testifying on Medicare physician payment cuts



Legislative Conference

Strengthening Medicare for Patients and Providers Act

- Introduced by Reps. Raul Ruiz, MD (D-CA) & Larry Bucshon, MD (R-IN)

- **H.R. 2474** would provide for an annual inflation update equal to the Medicare Economic Index for Medicare physician payments

Budget Neutrality & Impact on Medicare Payment

- CMS proposes **2.8% cut** in 2025 MPFS
- Due to expiration of the 2.93% payment bump provided by Congress for 2024 and positive budget neutrality adjustment of 0.05%
- Need to revise budget neutrality policies

Provider Reimbursement Stability Act

- Introduced by Reps. Greg Murphy, MD (R-NC), Robin Kelly (D-IL) & members of GOP Doctors Caucus

- **H.R. 6371** would:
- Prevent cuts from erroneous utilization estimates
- Update direct inputs for practice expense
- Increase the budget neutrality threshold to $53 million; and
- Limit conversion factor variance

Physician Fee Stabilization Act

- Introduced by Senators John Boozman (R-AR) & Peter Welch (D-VT), with Senators Angus King (I-ME), Tom Tillis (R-NC), Jeanne Shaheen (D-NH) & Roger Marshall, MD (R-KS)

- **S. 4935** would increase the budget neutrality threshold to $53 million with an increase every five years to keep pace with the Medicare Economic Index (MEI)

Current state of play

- 3.37% cut went into effect on Jan. 1, 2024
  - Partially averted with 1.68% boost in March 2024
- H.R. 2474, Strengthening Medicare for Patients and Physicians Act
  - Ties Medicare physician patient to inflation
- H.R. 6371, Provider Reimbursement Stability Act
  - Revises budget neutrality policies
- S. 4935, Physician Fee Stabilization Act
  - Revises budget neutrality policies, introduced thanks to AADA
- Working on MIPS regulatory relief
- CMS released proposed 2025 Medicare Physician Fee Schedule
  - Proposed conversion factor of $32.3562, a 2.8% reduction from 2024

AADA continues to fight for you — and you can help

- We continue to reiterate our message that cuts are unacceptable and seek an inflation-based update.
- You can help! Scan the QR code and send a message to Congress that we need a permanent solution for Medicare physician payments!
- More than 1,000 people have scanned a QR code to take action on fixing Medicare. Imagine the impact if every dermatologist did!

What else can you do?

- ✓ **Take action:** Urge Congress and State legislators to support AADA policy priorities at takeaction.aad.org

- ✓ **Become a key contact and host a practice visit:** If you haven't already, get involved this year! Go to takeaction.aad.org to respond to alerts and consider becoming **a Key Contact.** Invite your Representative or Senator to a **practice visit** to see the challenges you and your patients face every day.

- ✓ **To get involved or more information**: Email grassroots@aad.org today

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Addressing regulatory issues

2025 Medicare PFS Proposed Rule: Conversion Factor

- 2024 Final Conversion Factor (CF) = $33.29
  - - 2.93% Removal of temporary payment increase for services furnished 3/9/24 to 12/31/24 authorized by CAA, 2024
  - + 0.05% positive budget neutrality adjustment
  - 0% annual update factor as established by MACRA
- **2025 Proposed CF = $32.36**

2025 Medicare PFS Proposed Rule: Impact on Dermatology

- **Impact on Dermatology:**
- CMS Estimate = 0%
- Academy Estimate = - 2.8%

- **Variability in Impact:** Individual practitioner outcomes may vary based on specific practice mix.

Impact on Dermatology: Top Codes

Proposed 2025 Medicare Physician Fee Schedule Dermatology Codes

Comparison of 2024 Payment vs. 2025 Proposed Payment

CPT Code	Mod	Description	2024 Final Payment Amount	2025 Proposed Payment	Payment Difference
11102		Tangntl bx skin single les	$ 100.53	$ 96.10	-4%
11624		Exc s/n/h/f/g mal+mrg 3.1-4	$ 337.87	$ 328.42	-3%
17000		Destruct premalg lesion	$ 67.91	$ 66.33	-2%
17311		Mohs 1 stage h/n/hf/g	$ 680.73	$ 663.30	-3%
88305		Tissue exam by pathologist	$ 71.57	$ 69.57	-3%
88305	TC	Tissue exam by pathologist	$ 35.62	$ 34.62	-3%
88305	26	Tissue exam by pathologist	$ 35.95	$ 34.94	-3%
99202		Office o/p new sf 15 min	$ 72.23	$ 70.21	-3%
99203		Office o/p new low 30 min	$ 111.51	$ 109.36	-2%

More info:
Reimbursement analysis for over 300 dermatology codes available on the AAD's website.

Excimer Laser Codes

- CMS rejected the RUC-recommended values for CPT codes 96920 – 96922 (Excimer laser treatment for psoriasis)

- Proposing lower work Relative Value
- Units (RVUs) of 0.83, 0.90, and 1.15 respectively, which impacts payment.

EXCIMER LASER CODES		
CPT Code	**2024 Payment**	**2025 Proposed Payment**
96920	$155.45	$134.93
96921	$170.45	$144.63
96922	$232.01	$182.81

Global Surgical Codes

- Remains concerned about the accuracy of the valuation and payment of global surgical packages.
- Prohibited from converting all 10- and 90-day global periods to 0-day.
- ***CMS Proposal:*** Broadening the use of existing transfer of care modifiers (-54, -55, -56) for 90-day global surgical packages.
- ***CMS Proposal*****:** Introduce an E/M add-on code, GP0C1, for 90-day global packages, to cover post-op care by practitioners who did not perform the surgery and have no formal transfer of care.

Other Medicare PFS Proposed Policies

- **Complexity Add-On (G2211)**
  - Proposing to allow payment of the complexity add-on code G2211 when the code is reported by the same practitioner on the same day as an annual wellness visit, vaccine administration, or any Medicare Part B preventive service furnished in the office or outpatient setting (i.e., CMS is creating a limited exception to the prohibition of using G2211 on an E/M with a 25 modifier).

- **Telemedicine**
  - Many telehealth flexibilities will expire; CMS has limited statutory authority.
  - Continue to permit practitioners to use their enrolled practice location instead of their home address when providing telehealth services from their home. A policy advocated and supported by the AADA.

Overview: Quality Payment Program

What are MVPs?

MVPs began with 2023 performance year

Condition or procedure-based grouping of measures and improvement activities

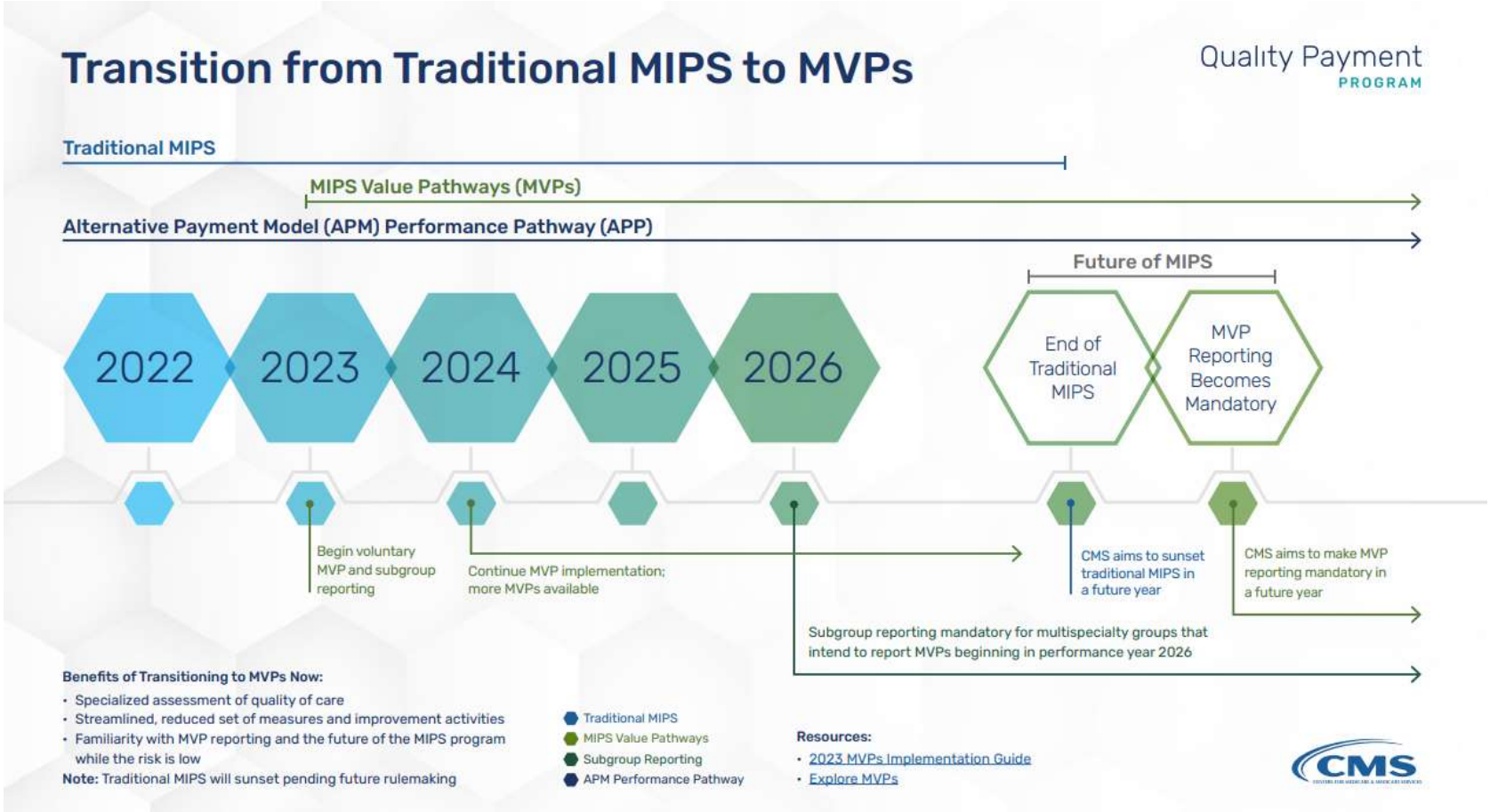
Promoting Interoperability and Population Health claims-based measures are the foundational layer

Cost measure is required to link quality with cost

Reporting Requirements: Traditional MIPS vs. MVPs

Category	Traditional MIPS	MVP
Quality	**Report 6**: From MIPS quality measures inventory, including 1 outcome or high-priority	**Report 4**: From limited list of MIPS quality measures in the MVP, including 1 outcome or high-priority
Cost	Scored of any Cost measure for which you exceed case minimum	Scored only on cost measure in MVP if you meet case minimum
Improvement Activities (IA)	**Report 2:** From IA inventory (only 1 for small practices)	**Report 1:** From limited IA list in MVP
Promoting Interoperability (PI)	Report and satisfy all PI objectives and attestations (Small practices get an automatic reweighting)	Same as traditional MIPS
Population Health Measures		Select 1 Health Measure (out of 2) Proposal: Calculate all population health measures and only apply the highest score.

CMS: Transition Timelines



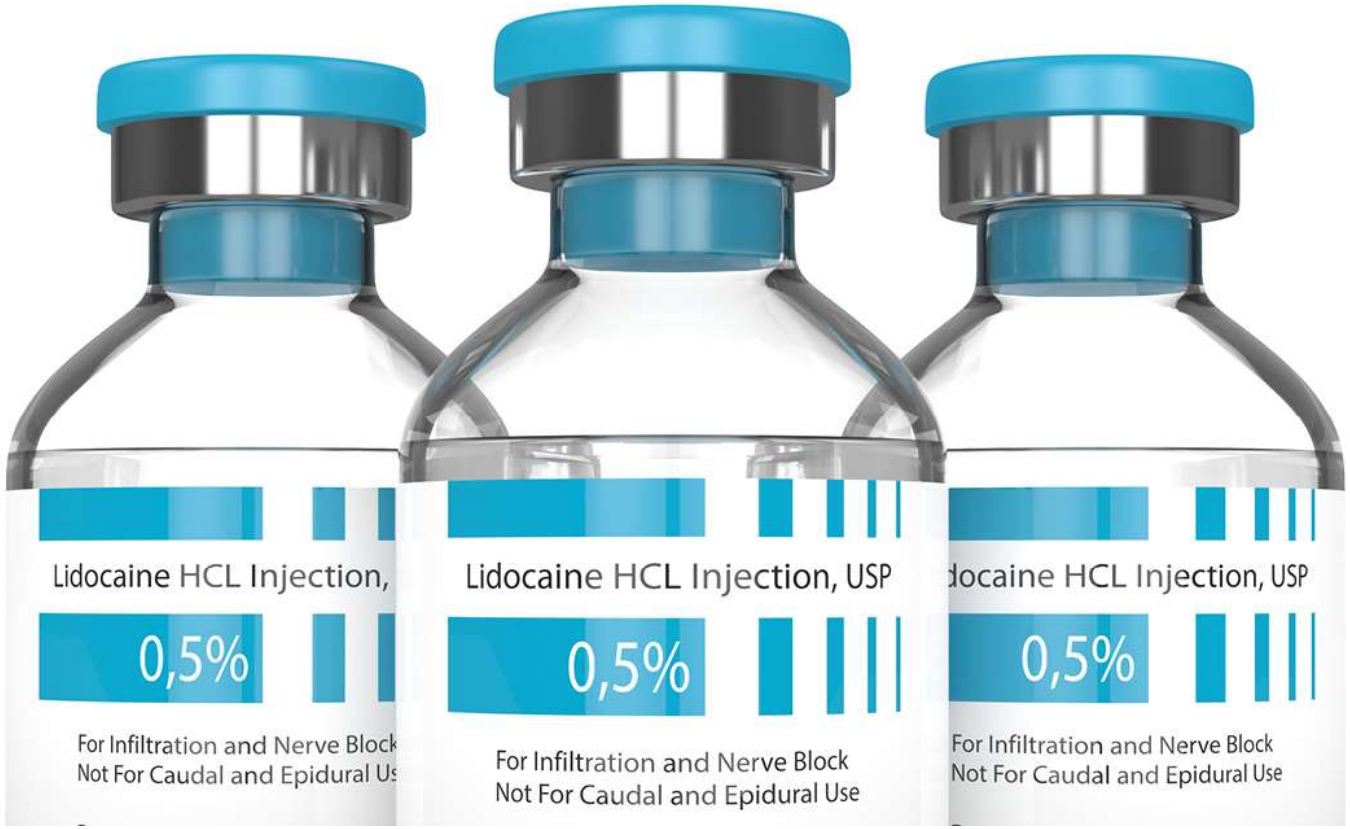
Quality Payment Program; 2025 Medicare PFS Proposed Rule

Proposed 6 New MVPs for the 2025 Performance Year:

- Complete Ophthalmologic Care
- **Dermatological Care**
- Gastroenterology Care
- Optimal Care for Patients with Urologic Conditions
- Pulmonology Care
- Surgical Care

CMS is considering ending MIPS in 2028 and making MVPs mandatory in 2029. Not a formal proposal, but CMS provided a potential timeline. The Academy strongly opposes sunsetting traditional MIPS and mandating MVP participation.

Addressing the lidocaine shortage



iPLEDGE advocacy wins

The FDA will require the iPLEDGE Isotretinoin Product Manufacturers Group (IPMG) to implement the following changes over the coming year:

- Remove the waiting period requirement (aka the "**19-day lockout**")
- Revise the pregnancy registry requirement
- Revise the patient counseling requirement for patients
- Remove the requirement that pregnancy tests must be performed in a CLIA-certified laboratory
- Home pregnancy testing will be allowed during and after treatment

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Increasing dermatology's influence

Advocacy at the AMA

American Academy of Dermatology Association

ASDSA American Society for Dermatologic Surgery ASSOCIATION

The American Society of Dermatopathology 1962

ACMS American College of Mohs Surgery
Fellowship trained skin cancer and reconstructive surgeons

Society for Investigative Dermatology SID 1937

SkinPAC opens doors

- SkinPAC is the AADA's non-partisan political action committee
- Fourth largest physician PAC
- In 2023, SkinPAC raised over $1.05 million, a record-breaking amount
- Learn more at www.skinpac.org or email skinpac@aad.org

AADA and Cancer Moonshot Partnership

- Attendees were eager to get the sunscreen on the 90+ degree and sunny day in Washington, D.C. and learn about practicing safe sun care.
- Donated 3,000 bottles of sunscreen and lip balm.
- White House guests included 10,000 military families and others.

Academy Leadership

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President

Cyndi J. Yag-Howard, MD, FAAD
Vice President

Daniel D. Bennett, MD, FAAD
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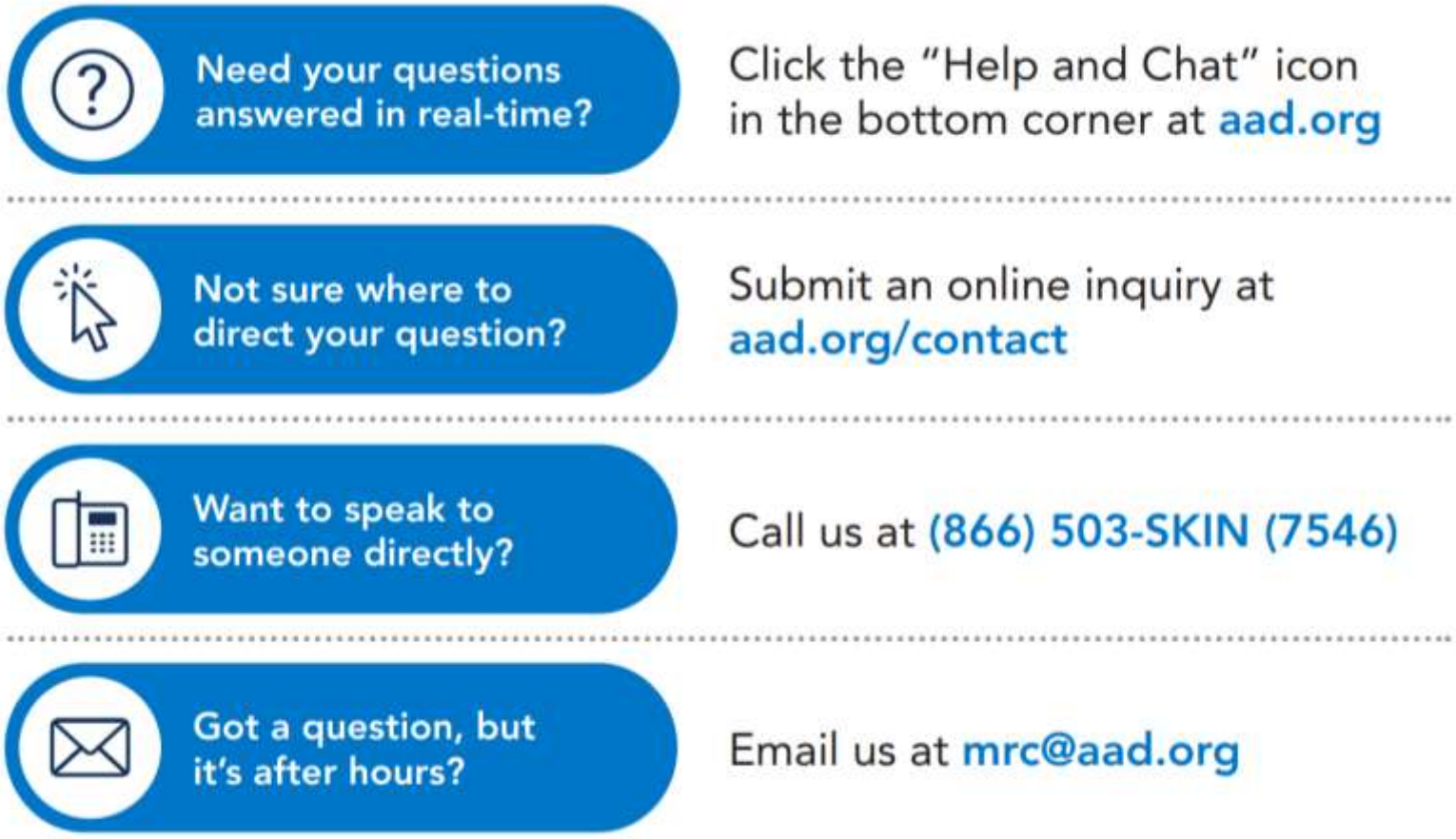
Contact the Academy



The Member Resource Center (MRC) is the go-to hub for answers to all your questions about the Academy.

Convenient options make it easier than ever to connect with us.

Monday through Friday from 8 a.m. to 5 p.m. (CT)

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Thank you!

@AADmember