Small Entity Compliance Guide

Medicare Program; Revisions to Payment Policies under the Physician Fee Schedule and Other Revisions to Part B for CY 2017; Medicare Advantage Bid Pricing Data Release; Medicare Advantage and Part D Medical Loss Ratio Data Release; Medicare Advantage Provider Network Requirements; Expansion of Medicare Diabetes Prevention Program Model; Medicare Shared Savings Program Requirements.

Federal Register Vol. 81, No. 220, Pages 80170-80562, November 15, 2016
42 CFR Parts 405, 410, 411, 414, 417, 422, 423, 424, 425, and 460

CMS-1654-F, RIN 0938- AS81

The Small Business Regulatory Enforcement Fairness Act of 1996 (SBREFA, Pub. L. 104-121, as amended by Pub. L. 110-28, May 25, 2007) contains requirements for issuance of "small entity compliance guides." Guides are to explain what actions affected entities must take to comply with agency rules. Such guides must be prepared when agencies issue final rules for which agencies were required to prepare a Final Regulatory Flexibility Analysis under the Regulatory Flexibility Act.

The complete text of this final rule can be found on the CMS website at http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/PhysicianFeeSched/PFS-Federal-Regulation-Notices-Items/CMS-1631-FC.html?DLPage=1&DLSort=3&DLSortDir=descending.

This final rule implements changes to the physician fee schedule (PFS) and other Medicare Part B payment policies to ensure that our payment systems are updated to reflect changes in medical practice and the relative value of services. It finalizes the calendar year (CY) 2017 proposed relative value units (RVUs) for new, revised and misvalued procedure codes.

It also addresses, implements or discusses changes to several of the quality reporting initiatives that are associated with PFS payments – the Physician Quality Reporting System (PQRS), as well as changes to the Physician Compare tool on the Medicare.gov website. Furthermore, the rule continues the phased-in implementation of the physician value-based payment modifier (Value Modifier), created by the Affordable Care Act, that will affect payments to certain physician groups based on the quality and cost of care they furnish to beneficiaries enrolled in the traditional Medicare fee-for-service program. Finally, the rule addresses changes to a handful of other programs which are listed in the Table of Contents within the rule.

This final rule also, in accordance with the statute, announced that for January 1, 2017 through December 31, 2017, the PFS update will be 0.32 percent. After applying the required budget neutrality adjustment, the conversion factor for January 1, 2017 through December 31, 2017 will be $35.8887.

For purposes of the RFA, physicians, nonphysician practitioners (NPPs), and suppliers including independent diagnostic testing facilities (IDTFs), are considered small businesses if they generate revenues of $10 million or less, according to the Small Business Administration size schedule. Approximately 95 percent of physicians are considered to be small entities. There are over 1 million physicians, other practitioners, and medical suppliers that receive Medicare payment under the PFS.

This rule imposes no direct federal compliance requirements with significant economic impacts on small entities. In order to assist physicians, NPPs, and suppliers including IDTFs in understanding and adapting to changes in Medicare billing and payment procedures, we have developed webpages that include additional material on the PFS at http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/PhysicianFeeSched/index.html and https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/PhysicianFeeSched/PFS-Federal-Regulation-Notices-Items/CMS-1654-F.html?DLPage=1&DLEntries=10&DLSort=2&DLSortDir=descending.

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