

The Incredible Shrinking Billing Codes

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The Centers for Medicare and Medicaid Services (CMS) announced in November 2012 that beginning in March 2013 Medicare payment for the technical component of Current Procedural Terminology code 88305 would be halved. With a very small increase in 88305's professional component, the global payment for 88305 shrank by one-third. Current Procedural Terminology code 88305, the most used surgical pathology code for gross and microscopic examination, is the "bread and butter" of clinical histology laboratories,¹ and this sizable reduction in payment has been called "a nightmare scenario for pathology labs."² To some extent a reduction was expected; the Affordable Care Act directed the CMS to examine and revalue high-volume medical services, including laboratory tests.³ However, the depth of the cut caught many by surprise; it translates to about \$460 million in lost revenue per year.⁴ Concerns about how this change would alter the laboratory landscape were voiced, as well as concerns of insurers following Medicare's lead and matching its payment cuts.¹⁻⁶

Although the cut was partially offset by increased CMS payment rates for immunohistochemistry and a few other tests,⁴ the offset was predicted to be short-lived. It was thought likely that the CMS would examine payment for immunohistochemistry and other high-volume laboratory tests soon, as well as examining and determining payment for the number of blocks prepared in a pathology case.⁴

A year later, the CMS has, as predicted, targeted immunostain payments. In November 2013, the CMS, continuing its "misvalued code" initiative instigated by the Affordable Care Act, determined that beginning in 2014 it would not recognize codes 88342 or 88343, previously used to bill for immunostains per block and slide.⁷⁻¹⁰ Instead, the CMS "took it upon themselves to create 2 new 'G' codes," G0461 and G0462, that pay for immunostain testing for each antibody per specimen, rather than per block and slide.¹⁰ "This is bad news for pathologists, regardless of their practice setting."¹⁰ This one change is "expected to result in a loss of more than \$100 million in Medicare revenue for pathologists and laboratories next year."⁸

With the practice of pathology progressively being viewed as a commodity,¹¹ the College of American Pathologists

(CAP) has amplified its efforts, and is increasingly engaged in dialogue with the CMS and other policy makers. CAP President Gene Herbeck, MD, has affirmed that the CAP is endeavoring to best ensure that "the revaluations of pathology services should accurately account for the cost of delivering the services provided."¹² But pathologists should not expect payers' attempts to reduce payment to end, or for payment victories to be easily won.

"[T]he government is losing money and needs to cut costs."¹¹ However, the effect of payment cuts on patient safety and health care quality necessarily must be carefully considered. Pathologists provide necessary and valuable care to their patients. Under pathologists' direction, efficient laboratory testing and diagnosis ultimately leads to real cost reductions.

The attraction and retention of the best and the brightest medical students to train as future pathologists is also important. Indeed, it is an ethical obligation of current pathologists to ensure the continuation not just of pathology, but of excellence in pathology. The understanding of medicine necessary for pathologists to provide patient care requires many long, hard years of training.

Pathologists need to be paid reasonably given all of these considerations. These recent Medicare payment cuts have led to the question, "Are we poised on the cusp of an \$8.00 pathology case?"¹¹ to which one colleague wryly replied: "You want fries with that?"

Pathologists have 2 possible futures. One is to continue to strongly advocate for their patients, explaining to and educating health care policy makers, payers, and other stakeholders about the enormous value pathologists provide to their patients. The other is to let the incredible shrinking billing codes go the way of the Incredible Shrinking Man, who, shrinking slowly and pitifully into oblivion, "accepts his fate and is resigned to the adventure of seeing what awaits him in even smaller realms."¹³

Pathologists cannot be accepting of this fate or resigned to any adventure in a smaller realm. Resigning themselves to the fate of some vague *de minimis* status would unethically throw pathologists' responsibilities—for diagnostic accuracy, patient advocacy, quality testing, and preservation of pathology excellence—to the wind. Instead, pathologists must accept their ethical responsibilities and, understanding the difficulty and uncertain outcome, increasingly engage and educate policy makers and stakeholders for the benefit of their immediate patients and for all future patients for whom accurate laboratory test results, guidance of molecular findings, safe blood products, and accurate tissue diagnoses will be vital.

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