Medicare’s Global Surgery Payment Policy

Background

Under the current system, Medicare pays surgeons and other specialists a single fee when they perform complex procedures such as back surgery, brain tumor removal, joint replacement, heart surgery, or colon resection. This single fee covers the costs of the surgery plus all follow-up care within a 10- or 90-day timeframe. The surgeon gets one payment, and the Medicare beneficiary only pays a single co-pay. In the CY 2015 Medicare Physician Fee Schedule (PFS) final rule, the Centers for Medicare & Medicaid Services (CMS) included a policy that would have eliminated global surgical payments, which would have negatively affected patients and physicians alike.

Recognizing the significant problems associated with this proposal, Congress was united in opposing this global surgery code policy because of concerns that the change would compromise patient care and significantly increase administrative burdens. Instead, Congress required CMS to collect data, starting January 1, 2017, on the number and level of visits furnished during the global period. Specifically, Section 523 of the Medicare Access and CHIP Reauthorization Act (MACRA) explicitly calls for CMS to gather information needed to value surgical services from a "representative sample" of physicians. Beginning in 2019, CMS must use these data to facilitate accurate valuation of surgical services.

Medicare’s Burdensome Data Collection Plan

Despite this Congressional mandate, on July 15, 2016, in the proposed rule for the CY 2017 Medicare PFS, CMS announced a unilateral decision to implement a new sweeping mandate to collect data about global surgery services. According to the proposal, beginning on January 1, 2017, all surgeons — instead of a "representative sample" — providing 10- and 90-day global surgery services to Medicare patients will be required to report an entire new set of codes to document the type, level and number of pre- and post-operative visits furnished during the global period for every global surgery procedure provided to Medicare beneficiaries. Under this system, surgeons would be required to use a new set of G-codes to report on each 10-minute increment of services provided.
Surgeons Must Make Major Practice Changes

In an effort to demonstrate to CMS the enormity of this task and its impact on patient care delivery, the surgical community conducted a survey to collect information to determine the feasibility of this unfunded data collection effort.

According to the survey’s findings, surgeons will face significant challenges integrating the proposed new G-codes and data collection processes into their practices. In an attempt to comply, most physicians will have to make major changes to their practice operations. Some examples include:

- Developing new methods for tracking and collecting global surgery visit work;
- Making modifications to their EHR and billing systems;
- Incurring additional staff and physician time spent on tracking and processing global surgery information into EHR and billing systems;
- Developing methods for transferring visit data from one treatment site to another;
- Hiring scribes to shadow clinicians to document services;
- Using additional technology, such as handheld devices or stopwatches, to document time spent providing global surgery services;
- Developing methods for transferring visit data from one treatment site to another; and
- Differentiating Medicare from other patients to ensure that G-codes are used based on the patient’s payer.

Additionally, just under one-half of respondents anticipate that they would have to hire new staff and purchase additional software to capture global surgery services under a new G-code system.

The study’s results make it clear that this all-physician, all-services claims-based approach will be a costly and burdensome initiative that will likely yield incomplete and unreliable information.
A Costly Experiment

All of these practice changes will come at a significant cost to our surgeons. Nearly 40 percent of respondents anticipate it will cost them between $25,000 to $100,000, and another 15 percent estimate they will spend more than $100,000 on compliance. These costs include modifications to EHR and billing systems, staff costs, loss of productivity and the like.

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<thead>
<tr>
<th>Cost Range</th>
<th>Percentage</th>
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<tr>
<td>$0 to 10,000</td>
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<tr>
<td>$10,001 to $25,000</td>
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<tr>
<td>$25,001 to $50,000</td>
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<tr>
<td>Over $100,000</td>
<td>14.9%</td>
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<tr>
<td>Not sure</td>
<td>26.2%</td>
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While CMS and its contractors may simply be able to “flip the switch” to incorporate the new G-codes into their claims processing systems, not surprising, nearly 90 percent of surgeons foresee physician compliance problems with the new global surgery G-codes.

In Surgeons’ Own Words

A super majority of surgeons believe that using G-codes is not an appropriate method for collecting global surgery data. When asked for suggested alternatives to the G-code approach, a common theme emerged.

“Leave as is. It is a global period. Each patient receives as much care in the postoperative period as required. Starting to track with these G-codes will kill efficiency and further discourage my treating Medicare patients.”

Neurosurgeon employed by a hospital in a small, single specialty practice in the Midwest

“Why fix something that is not broken? Post-operative visits are so variable, I guess I just need to put myself on a clock and punch in and out when I leave the patients rooms or see them in my office. More administrative nightmares. How much more does CMS expect us to take?”

Orthopaedic surgeon in a small, single specialty private practice in the West

“As there is no separate reimbursement for the postop visit I would suggest that requiring documentation above and beyond current ‘need to know documentation’ will end up with less complete postop care as multiple appointments will seem onerous. As it is now, I like bringing postop patients back often as I know that it does not cost the patient.”

Otolaryngologist in a large multi-specialty, academic medical practice in the West

“Surveys are routinely performed for specific codes to determine this information. Thinking that mandating that a specific code to be used when billing will give more valid information is folly.”

Ophthalmologist in a small, single specialty practice in the Midwest

“Do not try to fix a system that’s not broken!! Enough is enough already!!”

OB-GYN in a small, single specialty private practice in the Northeast
Survey Methodology

In July/August 2016 the Surgical Coalition conducted a survey of surgeons and anesthesiologists in an effort to determine the impact of CMS’s proposal to use new G-codes to collect and report on the services provided during the 10- and 90-day global surgery period. The survey was conducted online. A total of 7,071 physicians participated in the survey.

Demographics

Just over one-third of the respondents practice in the South, and the others are evenly distributed throughout the other regions of the country. Most surgeons practice in urban (38%) and suburban (43%) settings, with nearly fifteen percent practicing in rural parts of the country.

Over one-half of the respondents are in private practice, but all types of practices were represented, including private, academic, hybrid (private with academic affiliation or appointment) and hospital or other employment arrangement.

More than 40 percent of physicians responding are in solo or small, single specialty practices. It is, therefore, critical that CMS takes into account the additional administrative burdens this data collection effort will have on these physicians, in particular.
Participating Organizations:

- American Academy of Facial Plastic and Reconstructive Surgery
- American Academy of Ophthalmology
- American Academy of Otolaryngology-Head and Neck Surgery
- American Association of Neurological Surgeons
- American Association of Orthopaedic Surgeons
- American College of Osteopathic Surgeons
- American College of Surgeons
- American Congress of Obstetricians and Gynecologists
- American Osteopathic Academy of Orthopedics
- American Pediatric Surgical Association
- American Society of Anesthesiologists
- American Society of Breast Surgeons
- American Society of Cataract and Refractive Surgery
- American Society of Colon and Rectal Surgeons
- American Society for Metabolic & Bariatric Surgery
- American Society of Plastic Surgeons
- American Urological Association
- Congress of Neurological Surgeons
- Society for Vascular Surgery
- Society of American Gastrointestinal and Endoscopic Surgeons
- Society of Gynecologic Oncologists
- Society of Surgical Oncology
- The Society of Thoracic Surgeons

More Information:

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