

September 9, 2024

Submitted electronically via: <http://www.regulations.gov>

The Honorable Chiquita Brooks-LaSure
Administrator
Centers for Medicare and Medicaid Services
Attention: CMS-1807-P
7500 Security Boulevard
P.O. Box 8016
Baltimore, MD 21244-8016

Re: CY 2025 Physician Fee Schedule Proposed Rule

Dear Administrator Brooks-LaSure:

The CardioVascular Coalition (CVC) appreciates the opportunity to offer its comments to the Centers for Medicare and Medicaid Services (CMS) on the proposed rule for the CY 2025 Physician Fee Schedule (CMS-1807-P).¹ The mission of the CVC is to advance patient access to cardiovascular care, particularly as it relates to peripheral artery disease (PAD) and coronary artery disease (CAD). CVC Members include providers and industry representing physicians and staff in 45 states at over 378 centers where minimally-invasive cardiovascular care services occur.²

In the 2025 PFS Proposed Rule, CMS notes, “[I]nterested parties have presented us with high-level information suggesting that Medicare payment policies are directly responsible for consolidating privately owned physician practices and freestanding supplier facilities into larger health systems. As discussed in further detail below, CVC states at the outset that the 2025 PFS continues the trend of reimbursement cuts to interventional care in the office-based setting.

As such, CVC will providing comments relating to the following:

- Medicare Physician Fee Schedule Reimbursement for Office-Based Interventional Services is Increasingly Unsustainable
 - PFS Reimbursement for 300 Office-Based Services is Less Than Direct Costs
- Limb Salvage Provider Deserts
- Removing Certain High-Cost Supplies and Equipment from the PFS is Key to PFS Reform

¹ Federal Register, 89 FR 61596 (July 31, 2024)

² For more information about CVC, please see <https://www.cardiovascularcoalition.com/about-us>

I. MEDICARE PHYSICIAN FEE SCHEDULE REIMBURSEMENT FOR OFFICE-BASED LIMB SALVAGE SERVICES IS INCREASINGLY UNSUSTAINABLE

The 2025 Medicare Physician Fee Schedule (PFS) Proposed Rule would impose yet another round of significant cuts to office-based interventionalists. Key drivers of these cuts within the 2025 PFS Proposed Rule include:

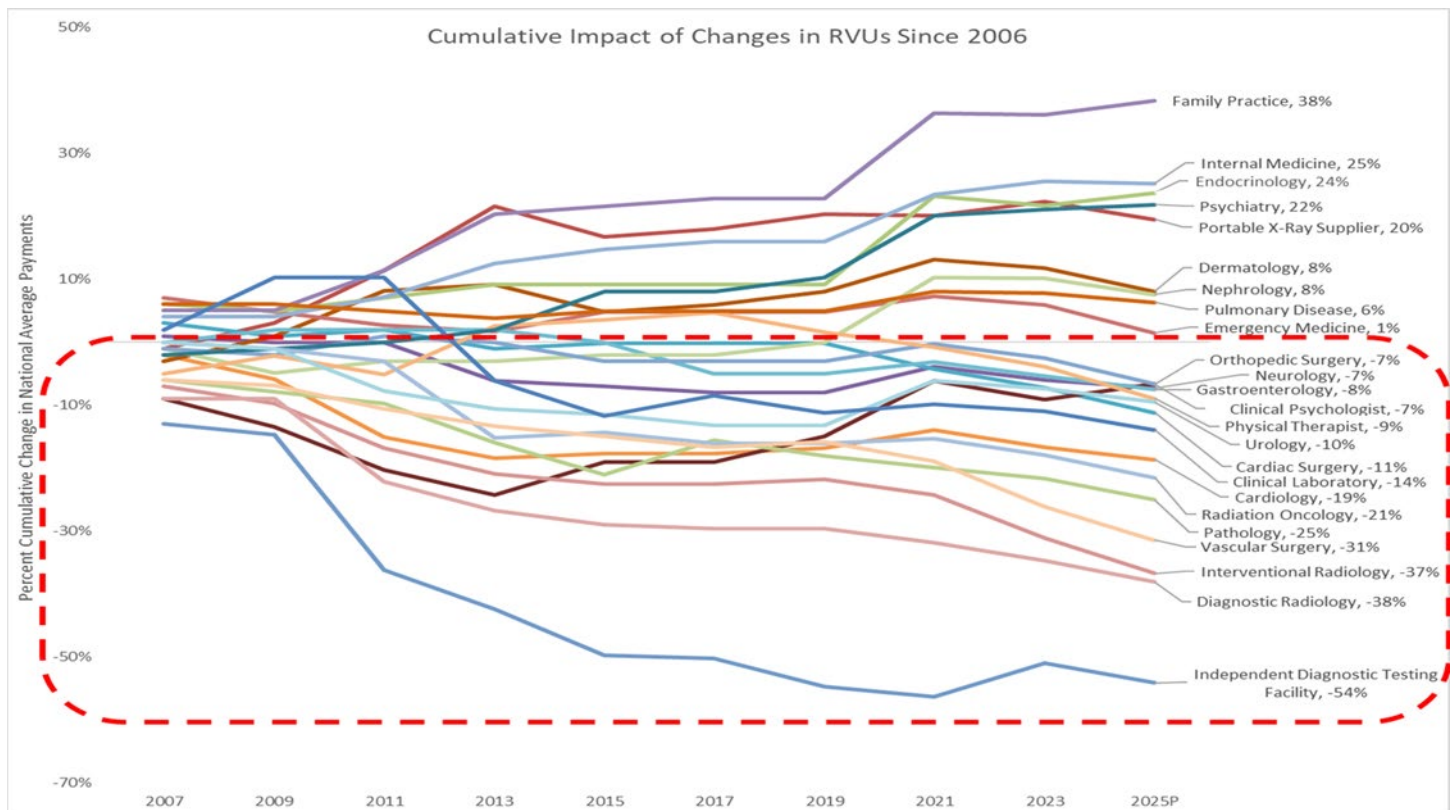
- **Conversion Factor Cut.** A carry-over 2.8% cut to the conversion factor from the 2021 PFS E/M policy (which has been phased by Congress since the policy was implemented). *When finally phased-in, the 2025 conversion factor is projected to be \$32.3433, a cut of more than 10% from the \$36.09 conversion factor in 2020.*
- **Clinical Labor Cuts.** The fourth year of clinical labor cuts to office-based intervention relative value units (RVUs) stemming from the phase-in through 2025 of the 2022 PFS clinical labor policy that cuts some interventional codes by another 5% in 2025.

*PFS physician payments equal conversion factor * RVUs.* As a result, key limb salvage services will again be cut by up to 8% in 2025 alone (see chart below). These year-over-year cuts are being implemented without regard to patient outcomes, actual PFS provider resource needs, or any other rationale policy.

		2024 Final Physician Fee Schedule		2025 Proposed Physician Fee Schedule		2025 Proposed RVU Difference	2025 Proposed Payment Difference
CF			33.29		32.36		
CPT	Procedure Description	2024 Non-Facility Total RVU/Unit (Final)	2024 Non-Facility Total Payments (Final)	2025 Non-Facility Total RVU/Unit (Proposed)	2025 Non-Facility Total Payments (Proposed)		
37220	Iliac revasc	74	\$2,452	71	\$2,296	-4%	-6%
37221	Iliac revasc w/stent	90	\$3,010	87	\$2,809	-4%	-7%
37222	Iliac revasc add-on	18	\$605	18	\$574	-2%	-5%
37223	Iliac revasc w/stent add-on	37	\$1,241	36	\$1,159	-4%	-7%
37224	Fem/popl revas w/tla	86	\$2,850	82	\$2,659	-4%	-7%
37225	Fem/popl revas w/ather	257	\$8,545	245	\$7,925	-5%	-7%
37226	Fem/popl revasc w/stent	238	\$7,915	227	\$7,337	-5%	-7%
37227	Fem/popl revasc stnt & ather	328	\$10,912	313	\$10,121	-5%	-7%
37228	Tib/per revasc w/tla	121	\$4,039	116	\$3,763	-4%	-7%
37229	Tib/per revasc w/ather	261	\$8,695	250	\$8,099	-4%	-7%
37230	Tib/per revasc w/stent	262	\$8,709	250	\$8,102	-4%	-7%
37231	Tib/per revasc stent & ather	345	\$11,498	328	\$10,625	-5%	-8%
37232	Tib/per revasc add-on	24	\$804	23	\$754	-4%	-6%
37233	Tibper revasc w/ather add-on	31	\$1,032	30	\$981	-2%	-5%
37234	Revasc opn/prq tib/pero stent	107	\$3,551	102	\$3,297	-4%	-7%
37235	Tib/per revasc stnt & ather	116	\$3,857	112	\$3,625	-3%	-6%
37236	Open/perq place stent 1st	81	\$2,686	78	\$2,513	-4%	-6%
37237	Open/perq place stent ea add	38	\$1,263	37	\$1,187	-3%	-6%
37238	Open/perq place stent same	101	\$3,372	97	\$3,146	-4%	-7%
37239	Open/perq place stent ea add	51	\$1,685	49	\$1,577	-4%	-6%
37252	Intrvasc us noncoronary 1st	28	\$927	27	\$863	-4%	-7%
37253	Intrvasc us noncoronary addl	5	\$170	5	\$165	-1%	-3%

Moreover, it is critical to understand that for many office-based interventionalists, these cuts in the 2025 PFS Proposed Rule come on top of significant cumulative cuts since 2006 (see Figure 1³.)

Figure 1



PFS Reimbursement for 300 Office-Based Services is Less Than Direct Costs

Cuts to office-based interventionalists have become so severe that, in 2024, there are 195 procedures across service lines that are paid at rates less than the direct costs associated with those procedures – as calculated by CMS itself. In the 2025 PFS Proposed Rule released in July, this number would grow to 300, a 50% increase. *In other words, for 300 services, CMS will not pay clinicians in private practice enough to cover the direct expenses of those services before even considering other costs like physician work and indirect costs (see Figure 2⁴⁵).* It is important to underscore that all of these services are procedures performed outside of the hospital in the patient-preferred, community-based setting and that these services typically are the lowest cost option available to Medicare beneficiaries. Most of these services also utilize high-technology, high-cost supplies and equipment, the reimbursement for which under the PFS has been significantly eroded

³ HMA analysis 2007-2025P Medicare Physician Fee Schedule Impact Tables. The values presented for 2021-2025P are adjusted to reflect the effects of the CAA, 2021, 2022, 2023, 2024.

⁴ Data is based on 2025 Physician Fee Schedule Proposed Rule Total Non-Facility Reimbursement and Total Direct Costs. Radiation Treatment Delivery data assumes 25 fractions for typical prostate cancer patient <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC9441303/>.

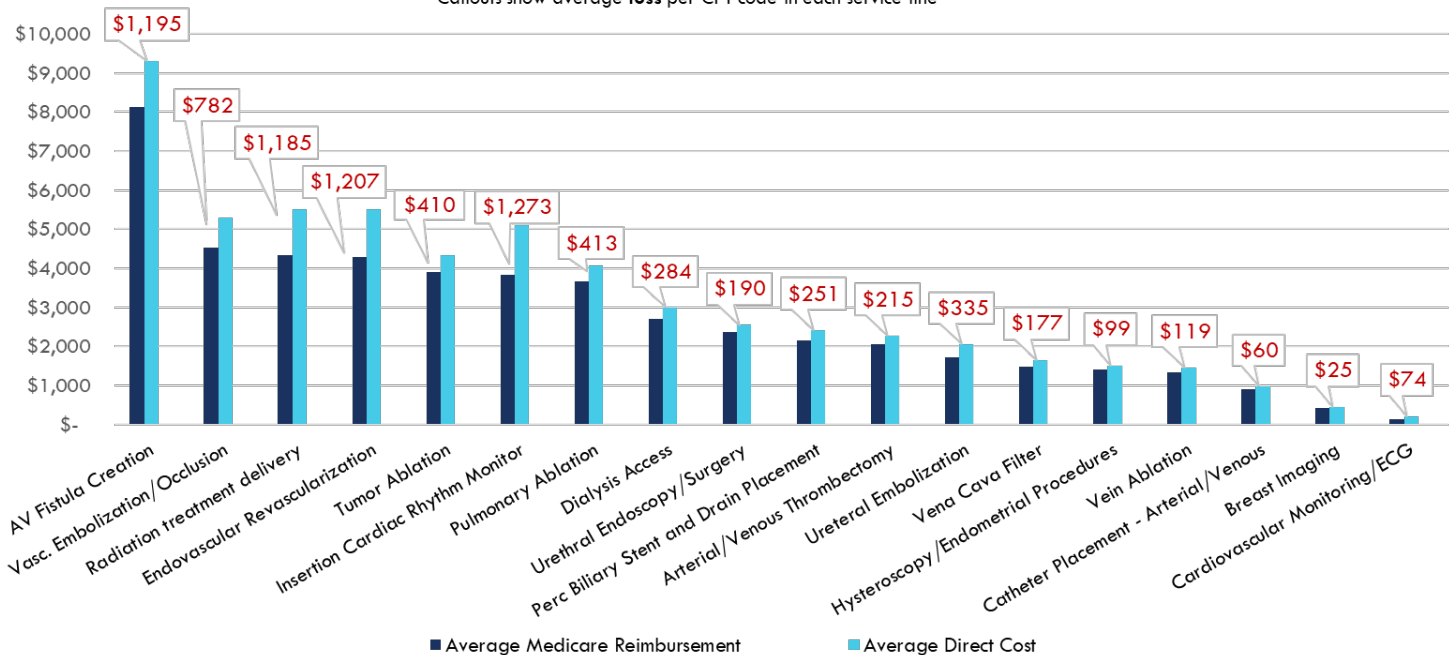
⁵ For a full list of the 300 codes, please see Appendix I.

by the “direct cost adjustment” since 2007. In other words, since 2007, under the PFS, the immediate discount off total direct costs has increased from 33 percent to 56 percent. Since, according to the Medicare Payment Advisory Commission (MedPAC), direct costs only represent one-third of total practice costs, it is reasonable to assume that when indirect costs (i.e. overhead) are included, the number of office-based services under the PFS for which reimbursement is less than total practice costs is significantly higher than 300.⁶

Figure 2

Representative Examples Range Across Service Lines

*Callouts show average loss per CPT code in each service line



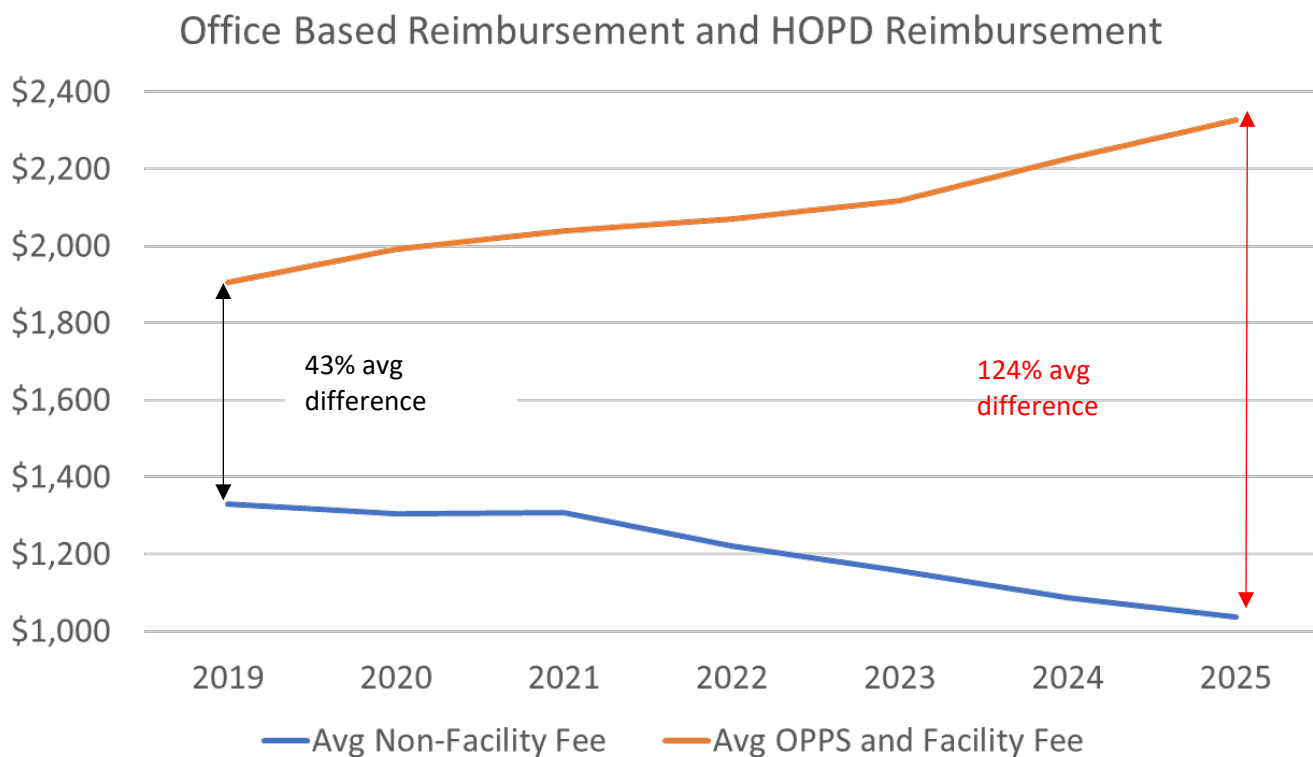
This underfunding by the Medicare PFS of critical office-based services is a key catalyst for the growing site-of-service differentials between the hospital outpatient and office-based setting (see Figure 3⁷⁸). In 2019, the average payment for these same 300 codes reimbursed 43% more when performed in an outpatient hospital setting compared to an office setting. By 2024, this disparity had ballooned to 124% on average. As reimbursements for high-technology procedures decrease in the office setting, the same services provided in the hospital show significant increases. This dynamic further drives hospital consolidation and reduces the number of specialists in lower cost settings.

Figure 3

⁶ Medicare Payment Advisory Commission, Report to the Congress: Promoting Greater Efficiency in Medicare, June 2007, page 225

⁷ Reimbursement is calculated as the average PFS non facility fee compared to the average PFS facility fee plus the average HOPD OPFS fee

⁸ Graph shows 273 of the 300 codes where total reimbursement is less than direct costs. 27 CPT codes were excluded as they were added to the fee schedule after 2019.



REQUESTS: CVC requests CMS:

- Immediately address shortfalls in which PFS reimbursement is less than direct costs for at least 300 services in the PFS, including limb salvage;
- Truly “prioritize stability and predictability over ongoing updates” by freezing the final year of implementation of the clinical labor policy in 2025 that will result in further significant redistributions and instability to the Physician Fee Schedule;
- Implement MEI Rebasing to help offset ongoing cuts to office-based limb salvage; and
- Focus on fundamental PFS reform.

II. LIMB SALVAGE PROVIDER DESERTS

The U.S. Department of Health and Human Services, Health Resources and Services Administration defines primary care health professional shortage areas, in part, as “geographic areas [that] ... either have either have a population to full-time-equivalent primary care physician ratio of at least 3,500:1, or a population to full-time equivalent primary care physician ratio of less than 3,500:1 but greater than 3,000:1 and unusually high needs for primary care services or insufficient capacity of existing primary care providers.”

As noted in a 2019 Health Affairs article, however, “to the extent that current policy interventions focus on expanding primary care but not specialist care in rural areas, they appear to be misguided and unlikely to reduce disparities in rural health outcomes. Notably, multiple studies have found

that regular treatment by specialist physicians in the ambulatory care setting is associated with better quality of care and reduced risk of death or hospitalization for people with chronic conditions. This does not detract from the value of primary care. However, access to primary care does not appear to drive rural-urban health outcome disparities.”⁹

CVC’s 2024 review of information provided by Redi-data found significant specialty care deserts across a spectrum of interventional and diagnostic providers, including A) Urology, B) Cardiology, C) Radiation Oncology, D) Vascular Surgery, E) Interventional Radiology, and F) Diagnostic Radiology.¹⁰ Importantly, according to this data, there are significant interventional and diagnostic provider deserts where there are NO such providers in the majority of counties in a majority of states. These deserts correspond to critical cuts to interventional providers described earlier in this comment letter.¹¹

Ongoing cuts to interventional and diagnostic providers under the PFS are a key driver in the collapse of independent limb salvage providers and an ongoing catalyst of health system consolidation. CVC believes PFS reform must include policies to address these concerns, including policies to remove high-cost supply and equipment from the PFS.

III. REMOVING CERTAIN HIGH-COST SUPPLIES AND EQUIPMENT FROM THE PFS IS KEY TO FOR PFS REFORM

CVC’s comments on options for PFS reform are in the context of several CMS requests for comments in the 2025 PFS Proposed Rule:

- *[W]e request general information from the public on ways that CMS may continue work to improve the stability and predictability of any future updates. Specifically, we request feedback from interested parties regarding scheduled, recurring updates to PE inputs for supply and equipment costs.*
- *[W]e seek information about specific mechanisms that may be appropriate, and in particular, approaches that would leverage verifiable and independent, third party data that is not managed or controlled by active market participants.*
- *[W]e continue to encourage interested parties to provide feedback and suggestions to CMS that give an evidentiary basis to shape optimal PE data collection and methodological adjustments over time.*

CVC’s primary feedback to these requests is that – by its nature – the PFS is incapable of properly incorporating PE data into its reimbursement methodology. This is because the PFS was not set up to handle high-cost supplies and equipment. When the Medicare Physician Fee Schedule was adopted in 1992, policymakers did not anticipate technological advances would allow for advanced, high-tech, minimally invasive services in the office. Over the years, as

⁹ <https://www.healthaffairs.org/doi/10.1377/hlthaff.2019.00838>

¹⁰ <https://www.redidata.com/>

¹¹ For additional information on limb salvage deserts (including interventional radiology and vascular surgery), please see Appendix

scientific advances have allowed high-tech, high-cost supplies and equipment to move from the hospital to the community-based setting, the reimbursement for such supplies and equipment has not followed to the PFS. This dynamic has degraded the ability of the PFS to reimburse both for office-based interventional services as well as cognitive services, such as primary care. As a result of “budget neutrality,” actions by policymakers in recent years to correct for reimbursement shortfalls in some areas of the PFS have eroded reimbursement for other PFS services.

As shown in Figure 4 below, while the IPPS, HOPPS and ASC Fee Schedules include only technical payments (e.g., the high-technology equipment, supplies and other innovations that have been a hallmark of the U.S. healthcare system) for HIPDs, HOPDs and ASCs, the PFS includes technical payments for office-based providers *plus* professional payments for physicians in all settings (e.g. HIPD, HOPD, ASC and office). As a result, PFS technical payments currently “budget-neutralize” office-based supply and equipment technicals to *dissimilar* professional payments for physician work in all sites-of-service (i.e. hospital, ASC and office). This dynamic is a significant contributor to the reimbursement cuts to office-based interventional services described earlier in this comment letter.

Figure 4

Key Spending Components of Major Medicare Fee Schedules				
Site-of-Service	Hospital Inpatient Department	Hospital Outpatient Department	Ambulatory Surgical Center	Physician Office
Medicare Fee Schedule	Inpatient PPS	Hospital Outpatient PPS	ASC PPS	Physician Fee Schedule
Technical [⊥]	Included for the Hospital Inpatient setting	Included for the Hospital Outpatient setting	Included for the ASC setting	Included for the Office-Based setting
Professional [⊕]	Not Included	Not Included	Not Included	Included in the Physician Fee Schedule to reimburse for physician work in all sites of service (Inpatient PPS, Hospital Outpatient PPS, ASC PPS, and Physician Fee Schedule)
[⊥] “Technical” refers to Medicare payments primarily for operating and capital costs, but excluding PFS payments for physician work. [⊕] “Professional” refers primarily to physician work as well as a small amount (i.e “facility” practice expense relative value units) intended to cover indirect expense of physician costs of operating a medical practice.				

Because most Medicare reimbursement for *hospital-based* services is derived from entirely distinct hospital inpatient and outpatient payment systems,¹² hospital payment system reimbursement has grown faster than practice costs even as many PFS services literally are no longer reimbursed even for their costs.¹³ This dynamic has been a key catalyst for consolidation: according to a 2021 AMA study, physician-owned practices have decreased 11% since 2012 as hospital ownership of these

¹² The Hospital Inpatient Prospective Payment System and the Hospital Outpatient Prospective Payment System

¹³ American Medical Association, *Medicare physician payment is NOT keeping up with inflation*, April 2023
<https://www.ama-assn.org/about/leadership/medicare-physician-payment-reform-long-overdue>

practices has increased 11%.¹⁴

Removing High-Tech Supply and Equipment from the PFS

For years, the AMA RUC has recommended “CMS separately identify and pay for high-cost disposable supplies priced more than \$500.”¹⁵ CVC believes such an approach has merit. Removing high-tech supply and equipment services from the PFS could necessitate new “place of service” designations for such services and more appropriate inclusion in the larger ambulatory technical (i.e. OPPTS/ASC) fee schedule. We believe the inclusion of certain high-tech supply and equipment services in the larger ambulatory technical (OPPTS/ASC) fee schedule would be the best way for CMS to provide an “evidentiary basis to shape optimal PE data collection and methodological adjustments over time,” given previous CMS statements that, “we continue to seek the best broad based, auditable, routinely updated source of information regarding PE costs.”¹⁶ Removing high-tech supply and equipment from the PFS also would free up resources within the PFS to achieve its primary *raison d'être*: reimbursement for physician work.

Reimbursing under the OPPTS/ASC fee schedule for certain high-cost technical inputs used in office-based interventional care would stop further closures of independent limb salvage practices, given that the PFS effectively no longer covers such procedures. Importantly, such a policy also would (1) protect the PFS from further dilution from unsubsidized migration of high-cost supplies from the hospital and (2) provide additional resources for primary care as well as the overall PFS. Moreover, there is clear precedent for such action: in the 2010 PFS, the Centers for Medicare & Medicaid Services (CMS) finalized its proposal “to remove physician-administered drugs from the definition of physicians’ services” due to the “significant and disproportionate impact that the inclusion of drugs has had on the SGR system.”¹⁷

REQUEST: We urge CMS to work with Congress on policies to establish a new site-of-service for office-based limb salvage to reimburse for the technical inputs utilized in such procedures under the OPPTS/ASC fee schedule in order to help strengthen the PFS and protect independent physician practices.

CONCLUSION

We look forward to continuing to work with CMS to maintain and improve access to minimally-invasive cardiovascular care services while we strive to reduce racial and ethnic disparities in care and amputations overall. If you have additional questions regarding these matters and the views of the CVC, please contact Jason McKittrick at (202) 465-8711 or jmckitrick@libertypartnersgroup.com.

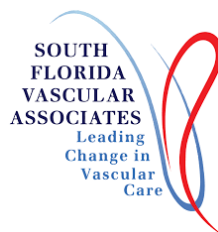
¹⁴ American Medical Association, *Recent Changes in Physician Practice Arrangements: Private Practice Dropped to Less Than 50 Percent of Physicians in 2020*, Carol K. Kane, PhD, June 2021

¹⁵ <https://www.ama-assn.org/system/files/oct-2020-ruc-recommendations.pdf>

¹⁶ 83 FR 59455

¹⁷ CY 2010 PFS Proposed and Final Rules. [74 FR 33650](#) and [74 FR 61965](#)

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300 CPT Codes where Total Reimbursement < Direct Costs in the PFS

10036	Print stff tics bzj dea	37186	Sec art thrombectomy add on	60389	Remove renal tube w/fluoro	78140	Red cell sequestration	93185	Flowsometry/c add on	93986	Dup scan hemo compl unit std
10086	Bx breast add reion mri imag	37187	Venous mediant thrombectomy	60431	Nyx cvr ntrosigim &durigim	78185	Spleen imaging	93131	Special stains group 2	93990	Patient flow recording
10286	Perq dew breast add us imag	37188	Venous mediant thromb repeat tx	60434	Conv nterpreting catheter	78191	Pulstet survival	93134	Histochemical stains add on	94015	Duppleter receded sprometry
10288	Perq dew breast add mri guide	37191	Ins endovase vena cava filter	60532	Exchange nephrostomy cath	78201	Liver imaging	93446	Imituo 1st Lantio stain pcx	94644	Cot 1st hour
20963	Abiate bone tumor/s perq	37192	Perq r abiate renal tumor	60592	Perq r abiate renal tumor	78202	Liver imaging with flow	93891	Tumor immunohistochemc/compur	94664	Evaluate pr use of inhaher
21125	Augmentation lower jaw bone	37193	Rem endovase vena cava filter	60593	Per cy abiate renal tum	78215	Liver and spleen imaging	93894	Insitu hydrazidation (fish)	94669	Mechanical chest wall oscilt
21217	Augmentation lower jaw bone	37197	Remove intravas foreign body	60705	Ureteral embolization/occl	78225	Hepatosplary system imaging	93897	Mphntrc alysis/quant/semi	94761	Measure blood oxygen level
21215	Lower jaw bone graft	37221	Ilac revasc	62284	Cysto r bato cath unit strx	78227	Hepaboli syst imag w drug	93899	Mphntrc alysis/quant/semi	94762	Measure blood oxygen level
22527	Letter 1 row more levls	37221	Ilac revasc w/stent	62442	Cysto r bato cath unit implant	78231	Serial sarialy imaging	93912	Mphntrc alysis ishqunt/semi	95012	Exhaled nitric oxide meas
22727	Navigation 1st prq wofx dew	37222	Ilac revasc add on	63855	Insert prost urethral stent	78232	Salvary gland function exam	93924	Mphntrc alysis ishqunt/semi	95024	Isot allergy test drug/bug
31627	Navigation bronchocopy	37223	Ilac revasc add on	63860	Transurethral tff treatment	78261	Gastric mucosa imaging	93927	Mphntrc alysis ishqunt/semi	95065	Noe allergy test
31634	Bronch w/balloon sampling	37224	Ilac revasc w/stent add on	63865	Cryoblate prostate	78262	Gastric emptying imag study	93930	Microdissection manual	95070	Bronchial allergy tests
32408	Bronch w/balloon sampling 1/2 node	37225	Fem/poip/ revas w/tra	65874	Tpmi pmt biodegrad bl matrt	78265	Gastric emptying imag study	93931	Collect sweat for test	95145	Antigen therapy services
32408	Core nbl bx lng/mmed perq	37226	Fem/poip/ revas w/tra	65874	Catheter for hysteroqym	78266	Gastric emptying imag study	91065	Breath hold hypermethane test	95146	Antigen therapy services
32994	Abiate pulm tumor perq cryol	37227	Fem/poip/ revasc stnt & other	65833	Endometrial ablate thermal	78278	Acute gl blood loss imaging	92977	Dissolve clot heart vessel	95147	Antigen therapy services
32998	Abiate pulm tumor perq r	37228	Fem/poip/ revasc w/tra	65836	Endometrial cryoblation	78290	Mockets divert exam	93017	Electrocardiogram tracing	95148	Antigen therapy services
32985	Abiate pulm cath rhythm mnt	37229	Tb/per revasc w/tra	65858	Hysteroscopy biopsy	78300	Bone imaging limited area	93017	Cardiovascular stress test	95149	Antigen therapy services
36005	Injection ext venography	37230	Tb/per revasc w/stent	65863	Hysteroscopy sterilization	78305	Bone imaging whole body	93225	Ec g mont/iepr up to 48 hrs	95782	Polysem <6 yrs c/par/bbl
36010	Place catheter in vein	37231	Tb/per revasc stnt & other	65865	Hysteroscopy ablation	78315	Bone imaging 3 phase	93226	Ec g mont/iepr up to 48 hrs	95783	Polysem <6 yrs c/par/bbl
36011	Place catheter in vein	37232	Tb/per revasc add on	65880	Transcv abt nrm fibr fr	78451	Ht muscle image spect sing	93229	Remote >48hr ecg tech scan sup	95807	Sleep study attended
36012	Place catheter in vein	37234	Revasc open/prq tb/pero stent	65907	Abt turt prabst ts thrm us	78452	Ht muscle image spect sing	93241	Ext ecg>48hr <7d rec scan a/r	95808	Polysem any age 1-3- param
36013	Place catheter in artery	37235	Open/prq place stent 1st	65908	Cysto int prabst ts thrm us	78456	Venous thrombus imaging	93242	Ext ecg>48hr <7d rec scan a/r	96446	Chemotx admr pnti cav impl
36014	Place catheter in artery	37236	Open/prq place stent 1st	65908	Cysto int prabst ts thrm us	78457	Venous thrombus imaging	93243	Ext ecg>48hr <7d rec scan a/r	96446	Chemotx admr pnti cav impl
36015	Place catheter in artery	37237	Open/prq place stent 1st	65908	Cysto int prabst ts thrm us	78457	Venous thrombus imaging	93244	Ext ecg>48hr <7d rec scan a/r	96975	Rem th mnt dr phys/ohp ea
36016	Place catheter in artery	37238	Open/prq place stent same	65908	Cysto int prabst ts thrm us	78457	Venous thrombus imaging	93245	Ext ecg>7d-15d rec scan a/r	96977	Rem th mnt dr phys/ohp ea
36017	Place catheter in artery	37239	Open/prq place stent same	65908	Cysto int prabst ts thrm us	78457	Venous thrombus imaging	93246	Ext ecg>7d-15d rec scan a/r	99153	Mod sed same dr phys/ohp ea
36018	Establish access to aorta	37240	Vasc embolize/occlude venous	66000	Contrast exam thoracic aorta	78579	Heart ventricat image (ef)	93247	Ext ecg>7d-15d rec scan a/r	99154	Rem th mnt dr phys/ohp ea
36200	Place cath thoracic aorta	37241	Vasc embolize/occlude organ	66001	Remove vasc device obstruct	78601	Brain imaging w/flow < 4 views	93248	Ext ecg>7d-15d rec scan a/r	99159	Prkic examination
36221	Ins cath abd ext 1st	37242	Vasc embolize/occlude organ	66001	Remove vasc device obstruct	78601	Brain imaging w/flow < 4 views	93271	Remote 30 day ecg rev/report	99166	Extm cotr procedure, per tx
36245	Ins cath abd ext 1st	37243	Vasc embolize/occlude organ	66001</							

APPENDIX II

