

ACEP Secures Financial Win for Emergency Physicians

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Although Congress has frozen the 2007 Conversion Factor at the 2006 level, most emergency physicians should actually see a pay increase in 2007, thanks largely to the work of ACEP and its representatives.

In June 2006, the Centers for Medicare and Medicaid Services (CMS) announced that, effective January 2007, the Work Relative Value Units (RVUs) for the five emergency medicine evaluation and management codes would each increase from 8.1% to 60%, or about 25% across the board. While the actual financial impact for each ACEP member depends on several factors, including patient volume, payer mix, and frequency distribution, this is good news all around for emergency physicians, said ACEP's reimbursement director, David McKenzie, CAE.

"The reality is that this will help maintain the safety net that emergency physicians provide," he said.

Dr. Dennis Beck served as ACEP's advisor to the AMA Relative Value Scale Update Committee (RUC) and was responsible for representing ACEP members' interests during RUC's 5-year review. The RUC's primary purpose is to value physician work through the establishment of work RVUs, and that valuation is then submitted to CMS for final approval. ACEP was advocating on behalf of its members before and during RUC's review.

"It's a fairly arduous process that involves ACEP surveying a number of emergency physicians to estimate the amount of physician work involved, and then comparing that to other CPT codes that have previously accepted values," said Dr. Beck, who then presented ACEP's survey results to the RUC.

ACEP also took the lead in compiling the data necessary to put before the RUC. "This involved an extensive amount of research on behalf of ACEP's staff, as well as myself and others," said Dr. Beck.

What exactly goes on behind the RUC's doors is confidential, but the results that ACEP achieved on behalf of emergency physicians should help ease the burden of providing emergency care. "ACEP worked hard toward this cause, and that work resulted in the highest increase for any one E/M code and the second highest increase for any medical specialty," said Mr. McKenzie.

All emergency physicians should feel the financial impact of the RVU increase--but throw into the mix individual circumstances, as well as terms such as conversion factor and sustainable growth rate formula, and the total impact becomes impossible to predict. "Because of the variability in terms of Medicare penetration in the payer mix and the utilization of fee schedules by other payers, it's all over the place," said Dr. Beck. "Conservatively, emergency physicians might see a 2%-5% increase in their collections for 2007."

Mr. McKenzie agreed that the true impact of this change is hard to pinpoint. Taking all factors into account, however, this probably means a \$20,000 annual increase on average to each emergency physician, he added.

"This will serve as an incentive for the best and brightest physicians to go into emergency medicine," he said. "It helps create a more favorable proposition to allow emergency departments, if not profitable, at least to break even--so that they can stay open and attract quality physicians to care for patients."