CPT, RBRVS, RUC: A Primer on the Alphabet Soup of Coding and Reimbursement

Current Procedural Terminology

Current Procedural Terminology (CPT) is a uniform language that describes medical, surgical, and diagnostic services, and it was designed to enhance communication among health care providers, patients, and third parties. The American Medical Association (AMA) developed CPT in 1966. In 1983, CPT was adopted as part of the Healthcare Common Procedure Coding System (HCPCS) of the Health Care Financing Administration (HCFA, now the Centers for Medicare & Medicaid Services [CMS]) to report and seek reimbursement for services provided to Medicare Part B beneficiaries. The Health Insurance Portability and Accounting Act of 1996 (HIPAA) specifies CPT as the standard procedural coding set for physician services.

Each year, the AMA publishes the CPT manual, which is well-indexed, cross-referenced, and organized by specialty and well-indexed and cross-referenced. Much of the work of oncologists is described by the evaluation and management (E&M) codes and the chemotherapy-infusion and service family of codes and associated modifiers. Clinical examples, or vignettes, are also provided to assist in coding. The CPT manual is available from AMA Press online at <https://catalog.ama-assn.org/Catalog/home.jsp>.

In 1977, the AMA initiated a system of periodic CPT updates to keep pace with rapidly changing medical technology, vocabulary, and practice. The CPT Advisory Committee, with representatives from more than 90 medical specialty societies and health care professional organizations, supports the efforts of the 18-member AMA CPT Editorial Panel to add, modify, and delete CPT codes for the annual CPT manual (see Fig 1). Because of the multiplicity of specialties offering drug-infusion therapies, the AMA formed a Drug Administration Work Group.

Charlie Penley, MD, who practices with Tennessee Oncology in Nashville, represents the American Society of Clinical Oncology (ASCO) on the CPT Advisory Committee. "My appointment coincided with the Medicare Modernization Act (MMA)-mandated restructuring of the entire drug-infusion coding system," he says. "Over a 9-month period, the collaborative effort of the AMA CPT Drug Administration Work Group, which was appointed by the CPT Editorial Panel and is composed entirely of stakeholders involved in outpatient drug administration, resulted in a family of codes to describe all aspects of drug infusion, including chemotherapy."

In late 2004, the CPT Editorial Panel approved the new codes. After receiving temporary status from CMS in 2005,

they were published as permanent codes in the 2006 CPT Manual.

Despite the work group's intensive labor, the expanded family of codes does not cover every conceivable scenario. "However, the codes are more logical and user-friendly, and they are fair and are applicable to every provider's needs," Penley says. "The net result is that we are able to bill for almost everything we do [in providing infusion therapy], from the basic to the complex."

The family of drug administration codes, like all CPT codes, is not carved in stone. The work group meets periodically to consider suggestions for changes that might better meet the needs of physicians who provide infusion therapy.

Relative Value Unit

In 1992, HCFA changed payment for physician services from a system of "customary, prevailing, and reasonable" charges to a standardized physician payment schedule, predicated on a resource-based relative value scale. The relative values correspond to CPT procedure definitions. Each procedure is assigned a total relative value unit (RVU) based on three components:

- Physician work, which measures the time, technical skill, physical effort, mental judgment, and potential risk of performing a medical service
- Practice expense, which measures the clinical time, medical supplies, and equipment needed to perform a procedure
- Professional liability insurance, which measures the liability costs associated with each medical procedure

The total RVU is multiplied by an annually updated conversion factor, which translates the RVU into a specific dollar amount reimbursement that CMS then adjusts according to the provider's geographic location to determine a physician's payment for each CPT-defined service.

AMA/Specialty Society Relative Value Scale Update Committee

To ensure organized medicine's input into the development of recommendations for RVUs, the AMA and national medical specialty societies formed the AMA/Specialty Society Relative Value Scale Update Committee (RUC). Each year, RUC advisors review proposed changes to CPT for any potential effect on their specialty's members (see Fig 2). If effects are identified, advisors request their specialty society to survey its members to obtain data for developing a recommendation concerning the code. Advisors present their

Figure 1. Overview of CPT process. CPT, Current Procedural Terminology; PMAG, Performance Measures Advisory Group. American Medical Association.

findings to the RUC, which subsequently approves, rejects, or modifies the proposal. CMS considers RUC recommendations in publishing its annual Physician Fee Schedule update. Since the inception of this process, CMS has accepted more than 90% of the 3,000-plus RUC recommendations.

David H. Regan, MD, who practices with Northwest Cancer Specialists in Portland, Oregon, represents ASCO on the RUC. He was elected to a rotating seat for a 2-year term in 1999 and again in 2005. In the interim, he served as a RUC advisor.

During the MMA-mandated restructuring of the drug-infusion coding system, Regan cochaired a Drug Administration Work Group subcommittee, composed of RUC advisors from oncology, hematology, gastroenterology, infectious disease, urology, and rheumatology. Its mission was to prepare the survey instruments and shepherd the new codes through the RUC. “The new codes more accurately reflect the

physician work component of the RVU,” he says. “Although we still aren’t compensated sufficiently to make up for what was taken away in drug revenue, it’s a real breakthrough to be paid more accurately for what we do.”

Regan’s involvement in RUC provided a comprehensive understanding of the challenges inherent in physician surveys, especially when they involve determining physician work. “Considering the nature of the oncologist’s pre-, intra-, and post-treatment patient interaction during chemotherapy encounters, it’s difficult to put a number on supervisory work,” he says. “Also, while physicians may not want to take the time to participate, or they may not thoroughly understand the questions, statistical validity requires a large enough sample and reliable answers.”

To facilitate the procedure, specialty societies are permitted to clarify the survey process through monitored conference calls. Physicians who understand the questions can expect to complete an online survey in less than an hour.

Figure 2. Overview of RUC process. RUC, AMA/Specialty Society Relative Value Scale Update Committee; CPT, Current Procedural Terminology; RVS, relative value scale. American Medical Association.

RUC advisors also participate in the congressional-mandated CMS 5-year review of work RVUs to identify misvalued CPT codes. As with the annual updates, RVU recommendations for the 5-year review rely mainly on survey data obtained by the specialty society. The most recent review in which ASCO participated considered complex E&M codes. “Physicians surveyed regarding level 4 and 5 office visit and consultation codes were asked questions regarding face-to-face time, stress level, and knowledge base—all factors that contribute to physician work,” Regan says. “Physicians can be comfortable knowing that E&M codes were revised appropriately and fairly.”

ASCO’s efforts in developing and revaluing codes have strengthened an already positive relationship with the AMA. “Now when the AMA receives questions about chemotherapy-infusion coding, they come to us for help,” Penley says. “In turn, the AMA is able to better serve oncologists across the entire country.”

ASCO’s involvement in CPT and RUC activities has taken on greater intensity and importance since the passage of MMA, and the AMA recognizes the expertise of ASCO. “The AMA also provides invaluable administrative support,” Regan explains. “By assisting a professional society [in getting] all of its documentation lined up correctly, the AMA facilitates specialty societies’ ability to get new and revised codes through the process.”

ASCO appreciates members who have participated in physician surveys and encourages all members to help further our professional goals through participation if called on for future surveys.

DOI: 10.1200/JOP.0713001