



RADIATION THERAPY ALLIANCE

*21st Century Oncology, Alliance Oncology,  
Oncure Medical Corp., Physician Oncology Services, L.P.,  
Radiation Oncology Services of America, Vantage Oncology, Inc.*

*1050 K Street | Suite 315 | Washington, DC 20001 | 202 442-3710*

Carol Bazell, M.D.  
Director, Division of Practioner Services  
Hospital & Ambulatory Policy Group  
Centers for Medicare and Medicaid Services  
Mail Stop C4-01-26  
7500 Security Boulevard  
Baltimore, MD 21244

November 30, 2010

**RE: PFS Final Rule, technical error regarding CPT Code 77427**

Dear Dr. Bazell:

The Radiation Therapy Alliance (RTA) represents physicians and staff at 230 for-profit, freestanding radiation therapy facilities in 25 states, including those owned by 21st Century Oncology, Alliance Oncology, Oncure Medical Corp., Physician Oncology Services, L.P., Radiation Oncology Services of America, and Vantage Oncology, Inc. The RTA member companies treat over 78,000 cancer patients annually.

In reviewing the CY2011 final rule for the physician fee schedule, the RTA believes that it has identified a technical error by CMS in the calculation of the work RVUs assigned to CPT Code 77427 (Radiation treatment management, 5 treatments). I write to urge CMS to review this matter promptly and issue a technical correction by January 1, 2011, so that there is no inappropriate reimbursement for services rendered or adverse consequence to providers. The magnitude of this discrepancy is large and, if not corrected, could exceed \$20 million.

As you are aware, CPT 77427 was identified by the AMA RUC as a potentially misvalued code in 2007, and after review, AMA RUC recommended a revised work RVU of 3.45 instead of the current work RVU of 3.70. However, in the PFS final rule, CMS announced that it would determine the work RVU for this code differently. While the underlying assumption behind the AMA RUC recommendations for work RVUs for 77427 were to average four units of CPT Code 99214 and two units of CPT Code 99213, CMS instead chose to average three units of CPT Code 99214 and three units of CPT Code 99213.

CMS then assigned a work RVU of 2.92 to this code. The RTA considers a work RVU of 2.92 for this code to be an error based on the provided rationale and believes that the mathematically correct work RVU for this code to be 3.37.

Consistent with the view expressed to CMS by the American Society for Radiation Oncology in a recent letter, the RTA believes that CMS incorrectly calculated the work RVUs in the following manner: CMS's change from the AMA RUC recommendation was to assume one fewer Level IV visit (CPT Code 99214) and assume one more Level III visit (CPT Code 99213) in calculating the total work RVUs *per treatment*. The difference between a Level IV (1.50 work RVUs) and Level III (0.97 work RVUs) treatment is 0.53, which is the difference between the AMA RUC recommendation and the CMS final rule for the work RVUs assigned to 77427. The RTA believes that CMS failed to complete the final step and convert the total treatment work RVU to *per treatment* by dividing by six to reflect the typical six-week course of treatment.

In short, CMS's change from the AMA RUC's recommendation resulted in an incorrect reduction in work RVUs for treatment visits from 7.94 ( $2 \times 0.97 + 4 \times 1.50 = 7.94$ ) to 7.41 ( $3 \times 0.97 + 3 \times 1.50 = 7.41$ ), a difference of 0.53. However, this reflects the difference in total, not average, work RVUs. The proper calculation is to divide these values by six. As a result, the effect of this difference is  $0.53/6 = 0.088$ . Instead of reducing the AMA RUC work RVUs from 3.45 to 2.92, the proper calculation would result in a work RVU of 3.37.

The RTA respectfully requests that CMS review this matter immediately and issue an appropriate technical correction as soon as possible so that services billed after December 31, 2010, may be properly reimbursed. Thank you for your consideration of this matter. Should you have any questions, please contact RTA Executive Director Andrew Woods at 202-442-3710.

Sincerely,

A handwritten signature in black ink that reads "Christopher M. Rose". The signature is written in a cursive, flowing style.

Christopher M. Rose, M.D., FASTRO  
Chair, Radiation Therapy Alliance Policy Committee