

Relative Value Scale Update Committee Scrutinized

The American Medical Association/Specialty Society Relative Value Scale Update Committee (RUC) is a panel of 29 physicians comprised of different specialties who recommend updates to relative value units (RVUs) under the Physician Fee Schedule to the Centers for Medicare and Medicaid Services (CMS).¹ The Resource-Based Relative Value Scale (RBRVS), which sets the formula for physician reimbursement for Medicare services, use RVUs as a primary determinant in constructing the reimbursement formula.² Recently, there has been controversy surrounding the RUC's level of impartiality and the extent to which CMS's relies on their recommendations.³

Of the 29 physicians comprising the RUC, 23 physicians of the RUC represent the following major medical specialties: Anesthesiology, Cardiology, Colon and Rectal Surgery*, Dermatology, Emergency Medicine, Family Medicine, General Surgery, Internal Medicine, Nephrology*, Neurology, Neurosurgery, Obstetrics/Gynecology, Ophthalmology, Orthopedic Surgery, Otolaryngology, Pathology, Pediatrics, Plastic Surgery, Pulmonary medicine*, Psychiatry, Radiology, Thoracic Surgery, and Urology. The remaining six slots include the RUC Chair; the Co-Chair of the RUC Health Care Professionals Advisory Committee Review Board; the chair of the Practice Expense Review Board; and, representatives of the American Medical Association (AMA), Current Procedural Terminology (CPT) Editorial Panel, and American Osteopathic Association.⁴ The panel meets three times per year to discuss and make recommendations regarding a multitude of medical procedures.⁵ Additionally, the RUC contains various advisory committees and workgroups responsible for participating in the decision-making process, handling procedural maintenance, and developing and refining RUC and relative value methodology.⁶ The RUC recommendation process begins with a list of all new and revised CPT codes. Members of the RUC Advisory Boards indicate their specialty association's interest level and suggested revisions to the RVUs associated with these codes by completing an AMA distributed survey, which collects information regarding how physician members of specialty groups view the work of a specific service.⁷ The RUC may adopt a recommendation, refer it back to the specialty society, or modify it.⁸ When the process is

complete, the RUC submits its suggestions to CMS.

Certain criticisms from those opposing the RUC process claim that suggestions are based on outdated assumptions. Over the past seven years CMS approved increases in physician w RVUs by an average of 22 percent, while actual physician-reported work times declined 8.4 percent.⁹ Some critics also suggest that CMS gives the RUC too much influence in the RBRVS decision-making process. In response, the AMA has commented that the RUC is not an advisory committee. Historically, however, CMS has followed 90 percent of the recommendations given by the RUC regarding physician reimbursements, basing at least 20 percent of physician payments on RUC recommendations.¹⁰ Additionally, it is claimed that the RUC has indirect influence over private insurers and Medicaid programs that set their reimbursement rates according to Medicare.¹¹

The disparity between specialty and primary reimbursement rates has also drawn criticism from RUC challengers, who claim that because a number of RUC members are selected by medical-specialty trade groups, their financial interests may lead to encouraging increases in Medicare reimbursements rates for certain procedures used by specialty physicians. Critics note the RUC's reluctance to suggest increases to work RVU's for evaluation and management (E&M) services heavily utilized by primary care, and CMS commonly rejects E&M code recommendations by the RUC.¹² As such, primary care physicians are lobbying for more representation in the RUC. The American Academy of Family Physicians (AAFP), the most vocal opposition to the RUC, wrote to CMS urging them to follow a 2006 MedPac Advisory Report to Congress, which suggested lowering reliance on the RUC by forming a group of less financially invested experts to identify over-valued services and work with the RUC to increase transparency and encourage provider efficiency.¹³

Current RUC Chairwoman Barbara Levy has claimed that the panel is working on correcting evaluation strategies that lead to "over-reimbursements" for certain specialties.¹⁴ In response to the 2006 pressures from MedPAC, the RUC formed an internal workgroup to identify misvalued services; however the Government Accountability Office in 2009 downplayed their efforts

saying that they did not focus on services that accounted for the largest Medicare payouts.¹⁵ The GAO report also suggested that CMS should ensure that physician fees reflect efficiencies occurring through integrated care.¹⁶ CMS officials have said they would be hard pressed to replace the RUC process, and emphasized that reforms in healthcare require that CMS ensure that physician fee values are accurate.¹⁷ As of now the RUCs' influence remains, but as criticism continues, CMS has reported proposed plans to establish more an extensive validation processes, and has asked for public comments on the issue.¹⁸

* Indicates rotating seats.

1 "AMA/Specialty Society RVU Update Committee: The RUC is... The RUC is Not..." American Medical Association: Chicago, IL, June 16, 2007.

2 "Do You Know How RUC Is Affecting Your Income?" By Mark Moran, Psychiatric News, September 17, 2010, <http://www.pn.psychiatryonline.org/content/45/18/4.1.full> (Accessed 11/5/10).

3 "Lessen CMS Reliance on RUC" By Lori Heim, American Academy of Family Physicians, To Donald Berwick, Centers for Medicare and Medicaid Administrator, October 8, 2010.

4 "The Resource Based Relative Value Scale: The RVS Update Committee" American Medical Association, 2010, <http://www.ama-assn.org/ama/pub/physician-resources/solutions-managing-your-practice/coding-billing-insurance/medicare/the-resource-based-relative-value-scale/the-rvs-update-committee.shtml> (Accessed 11/19/10).

5 "AMA/Specialty Society RVU Update Committee (RUC)" By Barbara S. Levy, American Medical Association, March 5, 2010.

6 "The RBRVS and the AMA Specialty Society RVS Update Committee (RUC) Process" American Medical Association, 2008, p.23-24.

7 "A Small Group of Physicians has a Big Say in What you Get Paid: What Every Physician Should Know about the RUC" By Kent J. Moore, et al., Family Practice Management, February 2008.

8 "The RBRVS and the AMA Specialty Society RVS Update Committee (RUC) Process" American Medical Association, 2008, p.14-15.

9 "Missing Productivity Gains in Medicare Physician Fee Schedule: Where are They?" By Jerry Cromwell, et al., Medical Research and Review, June 16, 2010, p.8, 14.

10 "A Small Group of Physicians has a Big Say in What you Get Paid: What Every Physician Should Know about the RUC" By Kent J. Moore, et al., Family Practice Management, February 2008; "AMA/Specialty Society RVU Update Committee: The RUC is... The RUC is Not..." American Medical Association: Chicago, IL, June 16, 2007.

11 "Do You Know How RUC Is Affecting Your Income?" By Mark Moran, Psychiatric News, September 17, 2010, <http://www.pn.psychiatryonline.org/content/45/18/4.1.full> (Accessed 11/5/10).

12 "Missing Productivity Gains in Medicare Physician Fee Schedule: Where are They?" By Jerry Cromwell, et al., Medical Research and Review, June 16, 2010, p.2, 3.

13 "Lessen CMS Reliance on RUC" By Lori Heim, American Academy of Family Physicians, To Donald Berwick, Centers for Medicare and Medicaid Administrator, October 8, 2010; "Missing Productivity Gains in Medicare Physician Fee Schedule: Where are They?" By Jerry Cromwell, et al., Medical Research and Review, June 16, 2010, p.3, 15.

14 "AMA/Specialty Society RVU Update Committee (RUC)" By Barbara S. Levy, American Medical Association, March 5, 2010.

15 "Little-Known AMA Group has Big Influence on Medicare Payments" By Joe Eaton, Kaiser Health News, October 27, 2010).

16 "AMA/Specialty Society RVU Update Committee (RUC)" By Barbara S. Levy, American Medical Association, March 5, 2010, p.33.

17 "Little-Known AMA Group has Big Influence on Medicare Payments" By Joe Eaton, Kaiser Health News, October 27, 2010).

18 "Little-Known AMA Group has Big Influence on Medicare Payments" By Joe Eaton, Kaiser Health News, October 27, 2010); "AMA/Specialty Society RVU Update Committee (RUC)" By Barbara S. Levy, American Medical Association, March 5, 2010, p.34.



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Robert James Cimasi, MHA ASA, MCBA, AVA, CM&AA, President. Mr. Cimasi is a nationally recognized healthcare industry expert, with over 25 years experience in serving clients, in 49 states, with a professional focus on the financial and economic aspects of healthcare industry including: valuation consulting; litigation support & expert testimony; business intermediary and capital formation services; certificate-of-need and other regulatory and policy planning; and, healthcare industry transactions, joint ventures, mergers and divestitures.

Mr. Cimasi holds a Masters in Health Administration from the University of Maryland, and several professional certifications. He has been certified and has served as an expert witness on cases in numerous states, and has provided testimony before federal and state legislative committees.

Mr. Cimasi is a nationally known speaker on healthcare industry topics, is the author of several nationally published books, chapters, published articles, research papers and case studies, and is often quoted by healthcare industry press. Mr. Cimasi's latest book, *"The U.S. Healthcare Certificate of Need Sourcebook"*, was published in 2005 by Beard Books. In 2006, Mr. Cimasi was honored with the prestigious *"Shannon Pratt Award in Business Valuation"* conferred by the Institute of Business Appraisers and was elevated to the Institute's College of Fellows in 2007.



Todd A. Zigrang, MHA, MBA, ASA, FACHE, Senior Vice-President. Mr. Zigrang has over twelve years experience in providing valuation, financial analysis, and provider integration services to HCC's clients nationwide. He has developed and implemented hospital and physician driven MSOs and networks involving a wide range of specialties; developed a physician-owned ambulatory surgery center; participated in the evaluation and negotiation of managed care contracts, performed valuations of a wide array of healthcare entities; participated in numerous litigation support engagements; created pro-forma financials; written business plans and feasibility analyses; conducted comprehensive industry research; completed due diligence analysis; overseen the selection process for vendors, contractors, and architects; and, developed project financing.

Mr. Zigrang holds a Masters in Business Administration and a Master of Science in Health Administration from the University of Missouri at Columbia. He holds the Certified Healthcare Executive (CHE) designation from, and is a Diplomat of, the American College of Healthcare Executives and a member of the Healthcare Financial Management Association.



Thomas J. Courtright, MSAE, MBA is Senior Vice President of Health Capital Consultants, (HCC), a nationally recognized healthcare financial and economic consulting firm. Mr. Courtright has over eighteen years experience in serving clients, nationally, with a professional focus on the financial and economic aspects of healthcare service sector entities including: valuation consulting; business intermediary and capital formation services; healthcare industry transactions including joint ventures, sales, mergers, acquisitions, and divestitures, as well as derivative securities such as stock options, transfer pricing studies and documentation; and, certificate-of-need and other regulatory and policy planning consulting. Mr. Courtright holds a Masters of Science in Applied Economics degree and a MBA degree from Marquette University.



Anne P. Sharamitaro, Esq., Vice President. Ms. Sharamitaro focuses on the areas of Certificate of Need (CON); regulatory compliance, managed care, and antitrust consulting. Ms. Sharamitaro was admitted to the Missouri after graduating with J.D. and Health Law Certificate from St. Louis University School of Law. At St. Louis University, served as an editor and staff member of the Journal of Health Law, published by the American Health Lawyers Association. She has presented healthcare industry related research papers before Physician Hospitals of America (f/k/a American Surgical Hospital Association) and the National Association of Certified Valuation Analysts.



Cora F. Drew, JD, is a Research Associate at Health Capital Consultants (HCC). Ms. Drew obtained her J.D. and Health Law Certificate from Saint Louis University School of Law and is a candidate to receive a Masters in Public Health in December 2010 from the George Warren Brown School of Social Work at Washington University in St. Louis. At HCC, Ms. Drew provides research regarding various competition, regulatory, reimbursement, and technology issues related to the valuation of healthcare enterprises, assets, and services.