

small proportion of the specialties' revenues and updating the practice expense RVUs with utilization will have little impact on payment across all of the services the specialty provides. However, updating the practice expense methodology with the 2002 utilization data will reduce payment to radiation oncologists by approximately 1 percent. The payment reduction occurs because the practice expense RVUs for radiotherapy dose planning and radiation treatment by intensity modulated radiation are going down. Because this service represents 8 percent of Medicare revenues to radiation oncology in 2002, there is a somewhat larger impact on this specialty than will generally occur for most specialties.

The column labeled "Practice Expense Refinements" shows the impact on payment from proposed refinements to the practice expense RVUs. In general, the largest impact of

the refinements is occurring to surgical procedures with 10 and 90-day global periods. Most of the impacts on these procedures will occur because of the standardization of the intra and post period time for clinical staff. There are also modest impacts on some specialties in the non-facility practice expense RVUs from the refinements to clinical staff and medical supplies. Orthopedic surgery and hand surgery will experience an approximate reduction of 2 percent from the practice expense refinements while payments to otolaryngology will increase by nearly 2 percent. There will be more modest payment increases or decreases for all other specialties from the practice expense refinements.

The column labeled "Maxillofacial Prosthetics" shows the impact on payment from changing the specialty practice expense per hour crosswalk for oral surgery (specialty 19) and maxillofacial surgery (specialty 85) to

otolaryngology. Payments to these specialties will increase from this change and there will be virtually no impact on payment to any other specialty.

As indicated earlier, we are also adding clinical staff time to the professional component of several cardiac catheterization services increasing payments for these services by a small amount. The proposed change will cause minor payment reductions for a few other cardiology services. All other services are unaffected by this proposal. The column labeled "Professional Component of a Diagnostic Test" shows the payment impact of the proposed change.

The column labeled "Total" in table 11 below shows the payment impact by specialty of all the changes described above. If we change any of these proposals following our consideration of comments, these figures may change.

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