

a price for an item of medical equipment or supplies where we previously did not have one. In most cases, these changes may increase or decrease the practice expense RVU for a given code but will have very little impact across all of the services provided by a specialty. However, in one case, we include prices for several items of equipment and supplies that are generally used by otolaryngologists. The addition of this new information increased payment for many procedural services provided by otolaryngologists and reduced payment for their diagnostic services. The net effect of these changes is to increase payments to otolaryngologists by the 1 percent shown in table x. Audiologists provide many of the same diagnostic services

that are billed to Medicare by otolaryngologists resulting in the approximate 2 percent decrease in payment shown in table 26 for audiologists. Similarly, there may be some very small additional impact on allergy from the additional practice expense refinements. There were a number of coding changes made by CPT to central venous access codes. It is possible there may be small impact on payment from these coding changes for interventional radiology.

The "Practice Expense Refinements" column also shows an increase in payment of 2 percent for radiation oncology and 1 percent for portable x-ray suppliers. These impacts are a result of our decision to use the non-physician work pool methodology to develop the

practice expense RVUs for procedure code 77418 (Intensity Modulated Radiation Therapy).

We also modeled the effect of adjusting the RVUs to match the new MEI weights. Because we are increasing the malpractice RVUs by approximately 20 percent, adjusting the RVUs to match the new MEI weights will result in an increase in payment for those specialties that perform services with high malpractice RVUs. Payments to cardiac surgery, neurosurgery, orthopedic surgery, thoracic surgery and vascular surgery will increase by approximately 1 percent. The column labeled "Total" shows the impact of all changes that we are making to the work and practice expense RVUs for 2004.