

**PracticeUpdate** (</update/index.aspx>) | **May 18, 2017** (</update/2017/05-18/index.aspx>)

# Up to code: How insurers and Medicare set reimbursement rates

This article is part of the Up to Code series to help psychologists understand how professional societies and the Relative Value Scale Update Committee survey help establish reimbursement rates.

By the APA Office of Health Care Financing Staff

At times, members of the American Psychological Association will receive an email from the Practice Organization asking psychologists to complete a survey (</update/2017/05-04/ruc-survey.aspx>) about the health care services you provide and the costs associated with those services. Why is completion of this survey important? The American Medical Association's Relative Value Scale Update Committee (AMA RUC) will use the data from your responses to help the Centers for Medicare and Medicaid Services (CMS) set reimbursement rates for procedures psychologists perform (see the recent PracticeUpdate article on how to complete a RUC survey (</update/2017/05-04/ruc-survey.aspx>)).

RUC surveys issued by AMA are the primary vehicle by which specialty health care societies like the Practice Organization advocate for appropriate payment values in the Medicare fee schedule.

The Medicare fee schedule is the basis for payments to psychologists and other health practitioners in the federal health program. This schedule is frequently used as the benchmark for commercial insurers and other federal insurance programs. So, even if you aren't a Medicare provider, the fee schedule can still impact your reimbursement rates from other insurers (For more information about Medicare's influence, please see the "Who Sets Psychologists' Payment Rates?" article from April 20, 2017 (</update/2017/04-20/psychologists-rates.aspx>)).

CMS makes the final decision on Medicare payment rates. However, the relative values for psychology's Current Procedural Terminology (CPT®) codes are shaped by data collected from APA and Practice Organization members through the RUC surveys.

Data from RUC survey responses become the basis of the Practice Organization's recommendations to AMA for adjusting the relative values for psychology's CPT codes. A more

robust RUC survey response rate from psychologists makes for more robust survey data. This data will serve as a foundation for appropriate relative values and reimbursement rates for current psychological services.

The Practice Organization is always concerned that psychologists receive appropriate reimbursement for their work with Medicare beneficiaries. We send representatives to all AMA RUC meetings each year to advocate for psychology's tangible value to the Medicare system. In addition, the Practice Organization regularly comments on proposals and new developments in the overall RUC process and in the Medicare fee schedule process.

The RUC survey instrument is designed by AMA, and cannot be modified by the Practice Organization.

If you have questions about the RUC process or about the Medicare fee schedule, contact the Practice Organization (<mailto:practice@apa.org?subject=Question%20about%20RUC%20process%20and%20Medicare%20Fee%20Schedule>).

## Additional resources

Learn about anticipated changes to psychological and neuropsychological testing CPT codes (</update/2017/04-06/up-to-code.aspx>).

Read about how these changes will affect your future payments (</update/2017/04-20/psychologists-rates.aspx>).

Learn how to complete a RUC survey properly (</update/2017/05-04/ruc-survey.aspx>) so that CPT codes are assigned the appropriate values.

A slide presentation on the RUC process (</reimbursement/ruc-survey-presentation.pdf>) (PDF, 420KB) is available online. More information about Medicare reimbursement is available on APA Practice Central's Complete Guide to Medicare for Psychologists (</medicare/index.aspx>).

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<http://www.apapracticecentral.org/update/2017/05-18/reimbursement-rates.aspx>