

Development of a Model for the Valuation of Work Relative Value Units (RVUs)

The Centers for Medicare and Medicaid Services (CMS) has contracted with the Urban Institute (UI) and its subcontractors Social & Scientific Systems, Inc. (SSS) and RTI International to examine the work relative value units (RVUs) for 100 services and develop a validation process for the RVUs used in the Medicare Physician Fee Schedule for both new and existing services. The project aims to provide CMS with a process for reviewing proposed work RVUs, assessing how reasonable they are relative to external data and assuring that the relativities within the overall RBRVS fee schedule are internally consistent within families of services and specialties as well as across families. Work RVUs reflect both the time it takes to provide a physician service and the intensity of the service (i.e., technical skill, physical effort, mental effort and judgment, and stress due to patient risk). Given the central role of time in establishing work RVUs and the concerns that have been raised about the current time values, a key focus of the project is developing alternative time estimates for study services. The work validation process incorporates these time estimates in clinical panel process through which clinicians from a range of specialties will help review the implications of the time estimates for current work values. There are three key aspects to the project.

Alternative Estimates of Service-level Time. Development of alternative time estimates will use a variety of approaches, depending on the type of service. First, time estimates will be developed from health systems' operating room logs, electronic health records, scheduling records, billing information, chart review, as well as direct observation of physician-patient interactions. This will be a very resource-intensive part of the project, but is essential to addressing the various concerns that have been raised about current time values and resulting work values. In addition, secondary sources that may support calculation of service-level times, such as National Surgical Quality Improvement Program (NSQIP), will be examined and used, if feasible.

Data Analysis. These alternative time estimates will be compared to the current time values used in the fee schedule. These comparisons will examine the relationship between the alternative measures and current values by type of service, place of service, and other exogenous characteristics. The project team will develop alternative models of the relationship between work and time that will be presented to the clinical panels for their consideration.

Clinical Panels. The project team will convene groups of physicians from a range of specialties to review the new time data and their potential implications for work and the ratio of work to time. The groups will discuss both the time data and their implications for work values and the family of services for which work values could be adjusted based on the studied services. For example, if they conclude that the work-to-time ratio was appropriate for a given studied service so that lower time estimates suggest that work should be lower, they will identify any similar services whose work values could be adjusted. The goal is to translate the new time estimates into new work values, as feasible, and expanding the services refined beyond those specifically included in the time measurement part of the study.

The project team includes national health policy experts whose research has helped shape Medicare physician payment policies for over two decades. Stephen Zuckerman, Ph.D., will serve as the Principal Investigator for this proposed project and Katie Merrell of SSS will be the Co-PI. Robert Berenson, M.D., will serve as Clinical Director for the project, providing clinical and policy expertise as well as recruiting and training the physicians who will lead the clinical panels – a critical element of the proposed project. He will work on these activities with project consultant Peter Braun, M.D., who was the Co-PI for the original Harvard RVU study. Nancy McCall of RTI will direct the collection of new time data that will be used as part of the validation model to be developed in this study.