

Dermatopathology in an Era of Health Care Reform

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Practice Points

- Health care reform will affect the practice of dermatopathology in predictable and unpredictable ways.
- Demand for dermatopathology services will increase while reimbursement for those services will not.
- Dermatologists and dermatopathologists must remain focused on high-quality care while advocating for our patients and our specialty.

To predict the effects of health care reform on the practice of dermatopathology, one must be either omnipotent or foolish. The Patient Protection and Affordable Care Act (PPACA) established many requirements regarding health insurance coverage but mandated few specific changes to health care payment and delivery. The mechanisms by which physicians and hospitals eventually will be paid are far from certain, but it is fair to predict that reform efforts will emphasize coordinated care, quality improvement, and movement away from the fee-for-service payment model. Somewhat unpredictable changes to the practice of dermatopathology are likely to evolve as a direct result of the PPACA's health system reform measures, which includes accountable care organizations (ACOs), bundled payments, establishment of quality measures, outcome-based incentive payments, and perhaps the decisions of the independent payment advisory board. To complicate matters, the impact of various reforms will differ based on geographic location, practice type, and insurance

mix. For the foreseeable future, there is no "one size fits all" approach to health care reform.

Do we despair? Absolutely not. Do we prepare? I hope so.

In 2011, nearly 48 million individuals living in the United States were uninsured.¹ Regardless of one's political affiliation or opinion of the PPACA, improving Americans' access to health care by increasing insurance coverage is inarguably good, as uninsured patients are known to delay necessary care.² For example, we know that the incidence of melanoma is rising in young adults, the most likely patient population to lack health insurance coverage.^{1,3} We also know that uninsured patients are more likely to be diagnosed with late-stage melanoma than those with private insurance.⁴ Expanded access to health care is good for patients and good for the practice of medicine. The key is to ensure continued access to high-quality care, including dermatopathology services, for all patients. The rest will follow.

Before speculating on the practice of dermatopathology in the context of the PPACA, the recent reduction in Medicare payment for the most commonly utilized Current Procedural Terminology code in the practice of dermatopathology must be discussed. In short, the Centers for Medicare and Medicaid Services reduced payment for the technical component of surgical pathology code 88305 by 52%, leading to an overall reduction of 33% for the global payment.⁵ Although this reduction is dramatic, it is only 10% more than what was recommended by

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the American Medical Association/Specialty Society Relative Value Scale Update Committee. It is important to note that these changes in reimbursement are not a direct result of the PPACA but reflect the overall climate of health care reform. There is general agreement that payments for individual services are unlikely to increase; in fact, they are likely to fall. Additionally, there is increased scrutiny of high-frequency codes. Because ours often is considered a 1-code specialty, dermatopathology is at higher economic risk than many other specialties.

One can imagine any number of scenarios that can and likely will follow such as a reduction in reimbursement for dermatopathology services. Laboratories will decrease their hiring of dermatopathologists and academic centers will minimize their training of dermatopathology fellows. Some small laboratories may not be economically sustainable, leading to more consolidation of dermatopathology in large (and often corporate) laboratories. Dermatologists who read their own slides are likely to find that owning and operating a laboratory is less lucrative and therefore may rely more on outsourced slide preparation. In the face of these changes, the dermatology and dermatopathology communities must remain vigilant in ensuring that quality patient care is not compromised.

Dermatopathology has been threatened before; in the early 1990s, capitated insurance systems began signing exclusive contracts with laboratory service providers, thus restricting the customary practice of dermatologists who either read their own slides or chose their own consultant dermatopathologists.⁶ In response to that threat, LeBoit and Cockerell⁶ emphasized that dermatopathology is the practice of medicine and dermatopathologists are consulting physicians rather than laboratory technicians. In addition, they encouraged advocacy on behalf of the specialty, noting that the “battle . . . is about access, choice, and, most importantly, high-quality patient care.”⁶ Suffice it to say, dermatologists

weathered that storm, and the practice of dermatology and dermatopathology has thrived over the last 2 decades.

Although the rapid pace of change associated with the passage of the PPACA can be unsettling, the management of skin disease requires skilled physicians, and patients will always need care. For that reason alone, the outlook for our specialty is good. Dermatopathology has a privileged position between clinical practice and laboratory medicine as well as between the specialties of dermatology and pathology. Some may consider it a 1-code specialty, but dermatopathology bridges the practice of numerous specialties, and high-quality interpretation of slides is critical to patient care. With an aging patient population; expanded access to care; and emphasis on coordinated care, quality, and efficiency, dermatopathology can thrive again.

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