

# CY 2021 Physician Fee Schedule Proposed Rule Overview



# Conversion Factor

- The proposed CY 2021 PFS conversion factor is \$32.26, a decrease of \$3.83 from the CY 2020 PFS conversion factor of \$36.09. This includes the budget neutrality adjustment to account for changes in relative value units (RVUs), as required by law. The CY 2021 anesthesia conversion factor is \$19.9631, down from \$22.2016 in CY 2020.
- Adjustment is -10.61 percent

Specialties where E/M services represent a greater share of total allowed charges receive increases:

- endocrinology (+17%)
- rheumatology (+16%)
- hematology/oncology (+14%)
- family practice (+13%)

Vs specialties that have a low use of E/M services:

- Radiology (-11%)
- Nurse anesthetists (-11%)
- Chiropractor (-10%)
- Pathology (-9%)
- Physical/occupational therapy (-9%)

# E/M Coding Revaluations

**Table 16: Summary of Codes and Work RVUs Finalized in the 2020 PFS Final Rule for 2021**

HCPCS Code	Current Total Time (mins)	Current Work RVU	2021 Total Time (mins)	2021 Work RVU	
99201	17	0.48	N/A	N/A	
99202	22	0.93	22	0.93	
99203	29	1.42	40	1.6	
99204	45	2.43	60	2.6	
99205	67	3.17	85	3.5	
99211	7	0.18	7	0.18	
99212	16	0.48	18	0.7	
99213	23	0.97	30	1.3	+46%
99214	40	1.5	49	1.92	+34%
99215	55	2.11	70	2.8	+28%
99XXX	N/A	N/A	15	0.61	+33%
GPC1X	N/A	N/A	11	0.33	

# Payment for Office/Outpatient (E/M) and Analogous Visits

- The proposal revalues the following code sets that include, rely upon or are analogous to office/outpatient E/M visits commensurate with the increases in values finalized for office/outpatient E/M visits for CY 2021:
  - End-Stage Renal Disease Monthly Capitation Payment Services
  - Transitional Care Management Services
  - Maternity Services
  - Cognitive Impairment Assessment and Care Planning
  - Initial Preventive Physical Examination and Initial and Subsequent Annual Wellness Visits
  - Emergency Department Visits
  - Therapy Evaluations
  - Psychiatric Diagnostic Evaluations and Psychotherapy Services

# Telehealth Expansion

- CMS is proposing services be added as:
  - Category 1: similar services already on Medicare telehealth list and will remain after PHE
  - Category 2: requiring more evidence, duration of PHE
  - New Category 3: added services through end of year PHE ends

# Category 1 (permanent) Telehealth Services

- Group Psychotherapy CPT code 90853
- Domiciliary, Rest Home, or Custodial Care services, Established patients CPT codes 99334-99335\*
- Home Visits, Established Patient CPT codes 99347- 99348\*
- Cognitive Assessment and Care Planning Services CPT code 99483
- Visit Complexity Inherent to Certain Office/Outpatient E/Ms HCPCS code GPC1X
- Prolonged Services CPT code 99XXX
- Psychological and Neuropsychological Testing CPT code 96121

\*Only for treatment of a substance use disorder or occurring mental health disorder.

# Category 2 Telehealth Services Added Through PHE

- Emergency Department Visits
- Initial and Subsequent Observation and Observation Discharge Day Management
- Initial hospital care & hospital discharge day management
- Initial nursing facility visits & nursing facility discharge day management
- Critical Care Services
- Domiciliary, Rest Home or Custodial Care services
- Home Visits
- Inpatient Neonatal and Pediatric Critical Care
- Initial and Continuing Intensive Care Services
- Assessment and Care Planning for Patients with Cognitive Impairment
- Group Psychotherapy
- End-Stage Renal Disease (ESRD) Services
- Psychological and Neuropsychological Testing
- Therapy Services, Physical and Occupational Therapy
- Radiation Treatment Management Services

## Category 3 (temporary) Through end of Public Health Emergency (PHE)

- Domiciliary, Rest Home, or Custodial Care services, Established patients CPT codes 99336-99337\*
- Home Visits, Established Patient CPT codes 99349-99350\*
- Emergency Department Visits, Levels 1-3 CPT codes 99281-99283
- Nursing facilities discharge day management CPT codes 99315-99316
- Psychological and Neuropsychological Testing CPT codes 96130-96133
- 60 services that CMS is not proposing to retain on the telehealth list after the PHE ends.

\*Only for treatment of a substance use disorder or occurring mental health disorder.

# Other Telehealth Related Proposed Changes

- Audio-only Visits 99441-99443: CMS is not proposing to continue to recognize these codes for payment under the PFS after the PHE.
- Nursing home visits continue as telehealth and remove frequency limitations from once every 30 days to every 3 days.
- To allow physician or NPP direct supervision to be provided using real time, interactive audio/video technology through the end of the calendar year in which the PHE ends or December 31, 2021.

# Direct Supervision by Interactive Telecommunications Technology

- For the duration of the PHE, for purposes of limiting exposure to COVID-19, CMS adopted an interim final policy revising the definition of direct supervision to include virtual presence of the supervising physician or practitioner using interactive audio/video real-time communications technology.
- CMS is proposing to allow direct supervision to be provided using real-time, interactive audio and video technology (excluding telephone that does not also include video) until the later of the end of the calendar year in which the PHE ends or December 31, 2021.
  - CMS seeks information from commenters as to whether there should be any guardrails in effect as it finalizes this policy though December 31, 2021, or considers it beyond this time.

# Rebase and Revise the FQHC Market Basket

- The proposed rule rebases and revises the FQHC market basket to reflect a 2017 base year. The proposed 2017-based FQHC market basket update for CY 2021 is 2.5%.
- The proposed multifactor productivity adjustment for CY 2021 is 0.6%.
- The proposed CY 2021 FQHC payment update is 1.9%.

# National Coverage Determinations

- CMS proposes to seek stakeholder feedback to remove the following nine outdated or obsolete National Coverage Determinations (NCDs):

**Table 37: Proposed NCDs for Removal**

<b>NCD Manual Citation</b>	<b>Name of NCD</b>
20.5	Extracorporeal Immunoabsorption (ECI) using Protein A Columns (01/01/2001)
30.4	Electrosleep Therapy
100.9	Implantation of Gastroesophageal Reflux Device (06/22/1987)
110.14	Apheresis (Therapeutic Pheresis) (7/30/1992)
110.19	Abarelix for the Treatment of Prostate Cancer (3/15/2005)
190.1	Histocompatibility Testing
190.3	Cytogenetic Studies (7/16/1998)
220.2.1	Magnetic Resonance Spectroscopy (09/10/2004)
220.6.16	FDG PET for Inflammation and Infection (03/19/2008)

# MIPS Updates

- The 2021 performance year will correspond to the 2023 payment year, and the Merit-based Incentive Payment System (MIPS) payment adjustments will be  $\pm$  9 percent applied to 2023 payments to physicians.
- CMS estimates that approximately 930,000 clinicians will be MIPS-eligible during the 2021 performance period, while another 369,000 clinicians would be potentially MIPS-eligible but not required to participate.
- About 300,000 clinicians will be excluded from MIPS participation because they meet all three low-volume threshold criteria or for other reasons, including being newly-enrolled in Medicare or having reached qualified participant status.

# MIPS Updates

- CMS proposes the following MIPS performance category weights for performance years 2021 (payment year 2023) and 2022 (payment year 2024).

MIPS Performance Category Weights (%)				
Performance Category	Performance Year 2019 (Final)	Performance Year 2020 (Final)	Performance Year 2021 (Proposed)	Performance Year 2022 (Proposed)
<b>Quality</b>	45	45	40	30
<b>Cost</b>	15	15	20	30
<b>Improvement Activities</b>	15	15	15	15
<b>Promoting Interoperability</b>	25	25	25	25

# Quality Payment Program Updates

- Budget neutrality is required within the Quality Payment Program (QPP) by statute.
- CMS estimates that positive and negative payment adjustments distributed in payment year 2023 will each total \$442 million.
- As in prior QPP years, an additional \$500 million will be available for distribution for exceptional performance.
- Maximum possible positive payment adjustment attainable for payment year 2023 would be 6.9%, combining the MIPS base adjustment with the adjustment for exceptional performance.

# Quality Payment Program Updates

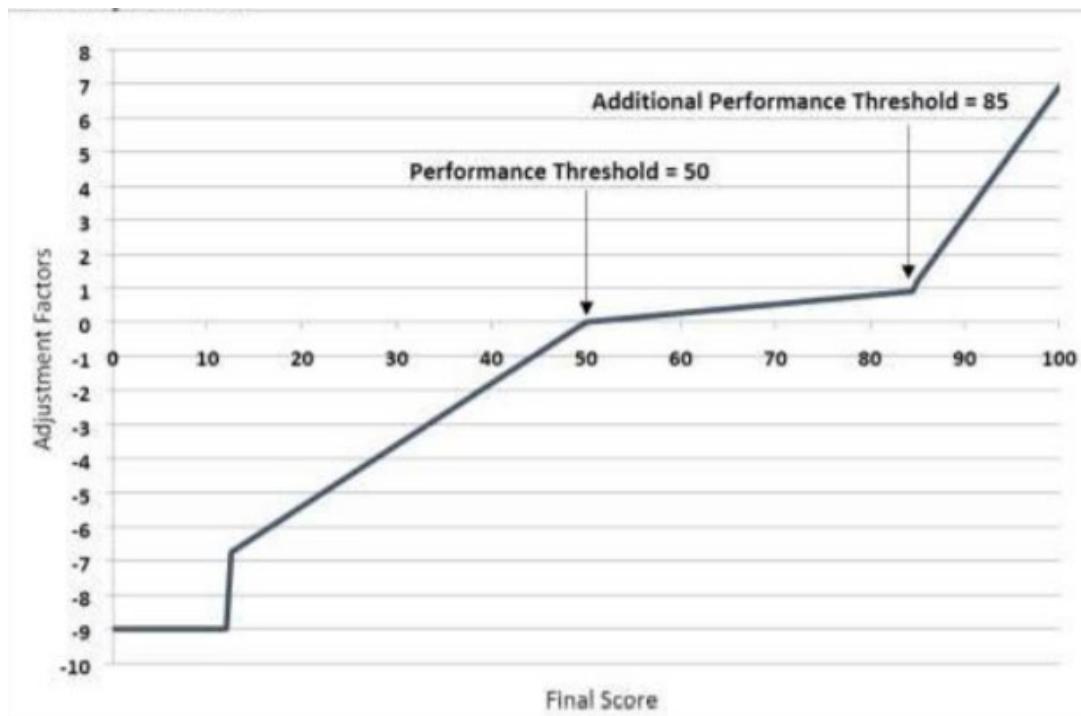
- Between 196,000 and 252,000 clinicians will meet thresholds to become QPs, resulting in total lump sum Alternate Payment Model (APM) incentive payments of \$700-900 million for the 2023 payment year.
- APM bonus remains at 5% and will be calculated using the QP's covered Part B professional services furnished during 2022.
- A detailed side-by-side comparison of current QPP requirements to those proposed, created by CMS, is available [here](#).

# Quality Payment Program Changes

Category weights for 2021 performance period

- Quality = 40% (5% decrease from PY 2020)
- Cost = 20% (5% increase from PY 2020)
- Promoting Interoperability = 25% (no change from PY 2020)
- Improvement Activities = 15% (no change from PY 2020)

Performance threshold of 50 points



# QPP and MSSP Changes

- Delayed implementation of MIPS Value Pathways (program to promote adoption of two-sided risk by ACOs)
- Introduction of 6 Alternative Payment Model Performance Pathway (APP) measures focused on population health and care delivered through APMs:
  1. CAHPS for MIPS
  2. Diabetes: Hemoglobin A1c (HbA1c) Poor Control
  3. Preventive Care and Screening: Screening for Depression and Follow-up Plan
  4. Controlling High Blood Pressure
  5. Hospital-Wide, 30-day, All Cause Unplanned Readmission Rate for MIPS Eligible Clinician Groups (claims measure)
  6. Risk Standardized, All-Cause Unplanned Admissions for Multiple Chronic Conditions for ACOs (claims measure)

# For More Information

- Read an [executive summary of the non QPP provisions](#) of the proposed rule.
- Read an [executive summary of the QPP provisions](#) of the proposed rule.
- Read a [detailed summary](#) of the proposed rule.
- Read the [proposed rule](#), published in the August 17, 2021, *Federal Register*.



**hfma.org**