

2021 Medicare Physician Fee Schedule: Act Now

The Center for Medicare and Medicaid Services ([CMS](#)) recently released their proposal for changes to the Medicare payment system which is slated to go into effect on January 1, 2021. According to the [American College of Radiology](#) (ACR), the news is not good for radiologists. Those who have analyzed the Medicare Physician Fee Schedule (MPFS) are finding things about the new proposal for radiologists to dislike.

There are many areas of concerns. The primary ones are with the new valuation adjustments, which results in substantial compensation reductions, and the new structuring of evaluation and management (E/M) services. The impact on high-volume radiology procedures is also of concern.

Valuation Adjustments

After all proposed valuation adjustments are considered, CMS estimates the overall impact to radiology will be:

- 11 percent decrease in payments for Diagnostic Radiology.
- 9 percent decrease in payments for Interventional Radiology.
- 8 percent decrease in payments for Nuclear Medicine.
- 6 percent decrease in payments for Radiation Oncology and Therapy Centers.

These cuts are made necessary by the increase in reimbursement for evaluation and management (E/M) services.

New Coding Structure for E/M

Services

ACR notes that there will be a new coding structure for E/M services. This restructuring will allow physicians to choose whether to document and bill for an out-patient office visit according to time spent with the patient, or according to the medical decision-making involved in the visit. This will result in increased payments for E/M services.

The Medicare requirement for budget neutrality means that the increases in E/M payments will cause payments for other services to be reduced. According to the [American College of Radiology](#) (ACR), "If finalized, those changes will result in significant reimbursement cuts to specialties that do not perform E/M services, including radiology."

Impact on High-Volume Radiology Procedures

The potential impact found on the most frequent radiology procedures can be found in a comprehensive chart posted at the ACR site. Overall, although the CMS estimate is a 11 percent cut to radiology, HAP analyzed the data and estimates that the decreases in reimbursement will be between 10 and 18 percent. Reimbursement for most procedures will be cut between 11 and 12 percent.

For example, when done at a hospital, the professional component for imaging for an MRI is cut by 8 percent whereas the cut for a CT scan of the brain without dye is 12 percent. A CT Thorax with or without dye is cut by 18 percent. A chest x-ray, one view, is cut by 14 percent, but with two views, the cut is 11 percent.

Response of the American College of Radiology to the Proposed Bill

The ACR is not happy with these changes to the payment system. It [prepared a preliminary summary](#) in which it expresses its displeasure over the rule changes. It estimates the new rule will result in substantial reductions in reimbursements to radiologists.

According to some experts, the increase in E/M services by about \$5 billion will cost radiologists approximately \$770 million in the first year, with an estimated cost of \$10 billion over the next 10 years. The ACR notes it “will use every avenue available to work with Congress to modify the impact of these changes.”

The public, and any interested organizations, may comment on the proposed rule. The final rule will be released in November. Meanwhile, [Radiology Business reports](#) that a bipartisan group of U.S. House members, in reference to the Medicare budget neutrality requirements, are “asking congressional leaders to quash a Medicare payment change that could cost radiology billions in the years to come.”

How to Take Action to Help Healthcare Practices

One imaging provider, RadNet estimates it will lose \$11 million in reimbursement in 2021 if Congress refuses to take action. Representative Bobby Rush, D-Ill, along with 92 lawmakers, wrote a [letter](#) to Speaker Nancy Pelosi, D-Calif., and Minority Leader Kevin McCarthy, R-Calif. In which they argued:

it has come to our attention that many specialists are being targeted for ill-conceived and sizable cuts that simply no longer make sense to implement...If these cuts go into effect, they will be devastating for providers and will ultimately result in decreased access to care for patients...Our

healthcare system is already under tremendous financial strain, as it continues to grapple with both the economic and health consequences of the coronavirus. Now is not the time to implement these reckless cuts.

The letter writers requested Congress to “waive budget neutrality for Calendar Years 2021 and 2022 for the E/M codes scheduled for implementation on January 1, 2021 as described in the final rule (84. Fed. Reg. 62568, 62847-62860).”

The letter concluded by calling attention to the fact that the country is in the middle of an incredible healthcare crisis with the COVID-19 pandemic, and this is not a time to cut-back on services during this public health emergency.

With 93 members of Congress already urging a waiver of the budget neutrality, now is the time for radiologists themselves to assist Congress by getting involved. Their voices can be heard as they join those of the already-involved Congresspersons who signed the letter to Speaker Pelosi. Every radiologist should call or write their representative and urge them to vote to waive the budget neutrality provision of the MPFS. If enough members of Congress become aware of the impact of those changes on the individual radiologist or radiology practice, the needed change may be possible.