Medicare Reimbursement Forecast for 2022

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Released on November 2, 2021, the final Medicare Physician Fee Schedule (PFS) revealed few surprises, given the foreshadowing of the previously issued proposed rule. However, it's still a hard pill to swallow. While the changes are issued by the Centers for Medicare & Medicaid Services (CMS), the impact is far-reaching as many commercial insurance companies use the Medicare PFS to set their rates.

The conversion factor drops to $33.5893 in 2022 from the current rate of $34.8931, representing a 3.7% decrease. The decline in reimbursement is across the board, impacting the Medicare rates for all professional services. Advocates have already begun lobbying Congress to infuse additional funding into the program to boost reimbursement. These efforts are likely to be successful, as the precedent was set in December 2020 when similar efforts were rewarded with additional funding days before the lower rate was set to start. The impact to all physician specialties ranged from -1 to +1%, with the exception of Vascular Surgery and Interventional Radiology, with a projected 5% decline.

The news was good for physician assistants, who were given the green light to directly bill for Medicare services. **The change, however, does not affect reimbursement or scope of practice.** The new policy may require completion of a new Medicare enrollment form. Another major policy impacts advanced practice providers (APP), with a refinement of the definition of split (or shared) visits. The billing provider is the physician or APP who performs the "substantive portion of the visit." The definition is evolving over the coming year, with CMS requiring a "FS" modifier to be appended to all split visits regardless of whether the billing provider is a physician or APP. Clarifications were also issued for critical care and teaching physician services.

Gastroenterologists welcomed a clarification about the coinsurance for routine colonoscopies that turn into diagnostic tests during the procedure. For 2022, the coinsurance will be 20%, but it is now scheduled to be reduced to 0% by 2030.

The government decided to delay the imposition of the Appropriate Use Criteria (AUC), thereby reducing the administrative burden for medical practices to comply with the rule. CMS determined that such treatment was not necessary for the Quality Payment Program (QPP), however. The threshold to avoid the penalty in 2022 was increased to 75 points for the Merit-based Incentive Payment System (MIPS), with the bar boosted to 89 points for the final year of the bonus associated with exceptional performance. Participants will contend with the cost category being enhanced to 30% of the score, based on a shift away from quality as required by statute. This represents a challenge, as the cost category operates behind the scenes. Many participants find it difficult to understand – and, perhaps, more importantly, to affect the score. Instead of requiring MIPS Value Pathways (MPVs), the government decided to convert them to voluntary reporting beginning in the new year. This voluntary participation will extend through 2027, with MVPs required the following year.

The government extended the services payable via telemedicine until the end of 2023 for Medicare beneficiaries. This extension incorporates payment for telemedicine services rendered for mental health care, to include the patient being at home and audio-only services. However, in-person visits are required periodically. Remote therapeutic monitoring (RTM) was added to the payment docket, with five new *CPT* codes (*98975*, 98976, 98977, 98980, 98981). These codes are similar to the remote physiological monitoring (RPM) codes, although RTM allows the patient to upload the data. This coverage contrasts with the existing RPM codes, which require the data to be

automatically transmitted to the provider from the device. New CPT codes were also added to the list of care management services, with four new codes for principal care management (99424, 99425, 99425, 99426).

For more detail, the 2,414-page ruling can be found here.

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