

Medicare Physician Fee Schedule Cuts and Sequestration Delayed

President Trump signed legislation on December 27, 2020 as part of a \$900 billion coronavirus economic aid and \$1.4 trillion in government spending package. This package included long desired delays to significant upcoming Medicare Physician Fee Schedule (MPFS) cuts that were set to go into effect on January 1, 2021. The Medicare Physician Fee Schedule was set to increase primary care payments and decrease physician specialty payments due to budget neutrality.

Radiologists were slotted to take 11% cuts across the board and pathologists were set to take 9% cuts across the board with the 2021 finalized MPFS. After hundreds of letters from many different provider specialty groups across the country, Congress and the President have delayed these significant cuts.

- First, the bill blocks a new code created by the rule for three years, which will mitigate these cuts by a projected third.
 - Radiology is set for a 4% reduction.
 - Pathology is set for a 3% reduction.
- Second, the bill injects \$3 billion into the physician fee schedule in 2021, resulting in payment increases across the board helping all Medicare providers during the ongoing COVID-19 pandemic.
- Third, the bill continues the current Alternative Payment Model (APM) thresholds for two additional years, allowing more providers to qualify for the 5 percent APM payment who would otherwise have been disqualified because of statutory increases in threshold amounts.
- Finally, the bill delays the 2 percent sequester cuts that were supposed to resume January 1, 2021, for three additional months. Together, these policies will greatly benefit all providers during the pandemic and mitigate at least two thirds of the cuts to certain providers due to Medicare budget neutrality requirements.

APS Medical Billing will continue to follow the latest updates and publish more information on the upcoming 2021 Medicare Physician Fee Schedule rates in the coming weeks. If you have any questions at all, please contact your APS Practice Manager.

<https://gop-waysandmeans.house.gov/house-republican-provisions-in-the-2020-year-end-legislation/>