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Significant Cuts to Pathology in the 2021 Medicare Physician Fee Schedule Proposed Rule

On August 4th, the Centers for Medicare and Medicaid Services (CMS) released the 2021 Medicare Physician Fee Schedule (MPFS) proposed rule. This release of the proposed rule has been delayed due to the effects surrounding COVID-19. CMS states that the proposed rule reflects a broader, wide strategy to create a healthcare system that results in better accessibility, quality, affordability, empowerment, and innovation. CMS requests comments on this new proposed MPFS rule before its January 1, 2021 effective date.

Unfortunately, this proposed rule projects an estimated 9% cut to pathology. The proposed rule is cutting specialties like pathology and radiology (11%) to increase primary care physicians, while maintaining budget neutrality.

Other specialties taking cuts in the proposed rule are:

- Anesthesiology and thoracic surgery would decline by 8%;
- Emergency medicine and ophthalmology would decline by 6%;
- General surgery, neurosurgery, and vascular surgery would decline by 7%;
- Nurse anesthetists would decline by 11%
- Cardiac surgery and physical therapy would decline by 9%

Under the proposed rule, CMS would set the PFS conversion factor for 2021 at \$32.26, down from 2020's conversion factor of \$36.09 by \$3.83 or more than 10%. The comment period for this proposed rule is open for 60 days. The final rule, including finalized CPT payment rates, is expected to be released on or around December 1, 2020 and go into effect on January 1, 2021.

If you have any further questions on this topic, please contact your APS Practice Manager.