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

On August 4, 2020, the Centers for Medicare and Medicaid Services (CMS) released the 2021 Medicare Physician Fee Schedule (MPFS) proposed rules, which are expected to result in significant cuts to radiology if implemented. The release was delayed due to COVID-19. CMS plans to adopt a higher value reimbursement structure for Evaluation and Management codes, causing a decrease to the fee for service conversion factor by an estimated 10.6% overall, because of the necessity to ensure budget neutrality. This reduction results in an estimated decrease in the conversion factor from \$36.09 in 2020 to \$32.26 in 2021. CMS states that the proposed rule reflects a broader strategy to create a healthcare system that results in better accessibility, quality, affordability, empowerment, and innovation.

This proposed rule unfortunately projects an overall estimated 11% reimbursement hit to radiology. Drilling down to specific radiology specialties, we see an estimated decrease of 9% to Interventional Radiology, an estimated decrease of 8% to Nuclear Medicine and a decrease of 6% to Radiation Oncology and Therapy. The proposed rule is cutting specialties like radiology and pathology by approximately 11% to increase rates to primary care physicians, while maintaining budget neutrality.

Other specialties taking cuts in the proposed rule are:

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

CMS is also proposing 40 new or revised codes that would affect radiology. If implemented, we can expect a new code for low-dose CT for lung cancer screening and reduced values for diagnostic CT chest codes. We can also expect to see changes giving permission to Nurse Practitioners, Clinical Nurse Specialists, Physician Assistants, and Nurse Mid-wives to supervise diagnostic tests, in addition to Physicians.

CMS requests comments on this new proposed MPFS rule; the comment period is expected to be open for 60 days, starting August 17, 2020. The final rule, including finalized CPT payment rates is expected to be released on or around December 1, 2020 and goes into effect on January 1, 2021.

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