

AMA Initial Summary of 2021 Medicare Physician Fee Schedule Final Rule

Office and Outpatient Evaluation and Management (E/M) Visits

Last year, CMS finalized an important policy change in the 2020 Medicare Physician Fee Schedule Final Rule when it adopted CPT guidelines to report office and outpatient E/M visits based on either medical decision making or physician time and reduce unnecessary documentation. These changes were made effective on Jan. 1, 2021 to allow for extensive education on use of the new guidelines and revised codes.

CMS also adopted the relative value recommendations made by the AMA/Specialty Society RVS Update Committee (RUC) for the office and outpatient E/M visits, which will lead to significant payment increases for these services in 2021.

The final 2021 E/M policies differ from the RUC recommendations in one important respect: although the surgical specialties participated in the RUC survey and their data and vignettes were incorporated into the RUC recommendations, CMS did not apply the RUC recommended values to the visits bundled into global surgical payments.

The January 2021 office visit guidelines and descriptions; an AMA Ed Hub tutorial; detailed RUC recommendations, data, and a vote report are all posted on the AMA website and may be obtained via www.ama-assn.org/cpt-office-visits.

Budget Neutrality Adjustments

By law, significant increases in Medicare physician payment rates must be offset by across-the-board decreases. This budget neutrality requirement means that the RUC recommendations for the office and outpatient E/M visits would lead to an approximate 5% payment reduction affecting physicians and other health professionals who do not report office visits. This reduction was doubled to more than 10% as a result of other policy changes made by CMS. In particular, despite concerns about a lack of clarity in its definition and estimated utilization, CMS finalized a new code, G2211, to be reported in addition to the CPT codes for office visits which requires an additional budget neutrality offset of about \$3 billion.

Despite the [consensus](#) of the AMA and the Federation that CMS should waive the budget neutrality impacts of the Medicare E/M policies in light of the COVID-19 public health emergency, CMS has finalized a significant budget neutrality adjustment. The CY 2021 physician payment conversion factor is \$32.41, a decrease of \$3.68 from the CY 2020 conversion factor of \$36.09. This is a decrease of 10.2%. The CY 2021 anesthesia conversion factor is \$20.04, a decrease of \$2.15 from the CY 2020 conversion factor of \$22.20.

Table 106 below illustrates the specialty payment impacts. Redistributions will be significant, with family medicine increasing by 13% and many specialties that do not perform office visits decreasing by 8% or more.

Because the Administration does not offer any relief from the budget neutrality cuts in the final rule, the AMA strongly urges Congress to avert the more than 10% cut as physicians are experiencing substantial economic hardships due to the COVID-19 public health emergency. Cuts of this magnitude are problematic for all services, but we are extremely concerned that these cuts will directly impact care to

COVID-19 patients, as payments for hospital visits, critical care visits, nursing home visits, and home visits are among those being slashed.

(A) Specialty	(B) Allowed Charges (mil)	(C) Impact of Work Changes	(D) Impact of RVUPE RVU Changes	(E) Impact of MP RVU Changes	(F) Combined Impact
ALLERGY/IMMUNOLOGY	\$247	5%	4%	0%	9%
ANESTHESIOLOGY	\$2,020	-6%	-1%	0%	-8%
AUDIOLOGIST	\$75	-4%	-2%	0%	-6%
CARDIAC SURGERY	\$266	-5%	-2%	0%	-8%
CARDIOLOGY	\$6,871	1%	0%	0%	1%
CHIROPRACTOR	\$765	-7%	-3%	0%	-10%
CLINICAL PSYCHOLOGIST	\$832	0%	0%	0%	0%
CLINICAL SOCIAL WORKER	\$857	0%	1%	0%	1%
COLON AND RECTAL SURGERY	\$168	-4%	-1%	0%	-5%
CRITICAL CARE	\$378	-6%	-1%	0%	-7%
DERMATOLOGY	\$3,767	-1%	0%	0%	-1%
DIAGNOSTIC TESTING FACILITY	\$748	-1%	-2%	0%	-3%
EMERGENCY MEDICINE	\$3,077	-5%	-1%	0%	-6%
ENDOCRINOLOGY	\$508	10%	5%	1%	16%
FAMILY PRACTICE	\$6,020	8%	4%	0%	13%
GASTROENTEROLOGY	\$1,757	-3%	-1%	0%	-4%
GENERAL PRACTICE	\$412	5%	2%	0%	7%
GENERAL SURGERY	\$2,057	-4%	-2%	0%	-6%
GERIATRICS	\$192	1%	1%	0%	3%
HAND SURGERY	\$246	-2%	-1%	0%	-3%
HEMATOLOGY/ONCOLOGY	\$1,707	8%	5%	1%	14%
INDEPENDENT LABORATORY	\$645	-3%	-2%	0%	-5%
INFECTIOUS DISEASE	\$656	-4%	-1%	0%	-4%
INTERNAL MEDICINE	\$10,730	2%	1%	0%	4%
INTERVENTIONAL PAIN MGMT	\$936	3%	3%	0%	7%
INTERVENTIONAL RADIOLOGY	\$499	-3%	-5%	0%	-8%
MULTISPECIALTY CLINIC/OTHER PHYS	\$153	-3%	-1%	0%	-3%
NEPHROLOGY	\$2,225	4%	2%	0%	6%
NEUROLOGY	\$1,522	3%	2%	0%	6%
NEUROSURGERY	\$811	-4%	-2%	-1%	-6%
NUCLEAR MEDICINE	\$56	-5%	-3%	0%	-8%
NURSE ANES / ANES ASST	\$1,321	-9%	-1%	0%	-10%
NURSE PRACTITIONER	\$5,100	5%	3%	0%	7%
OBSTETRICS/GYNECOLOGY	\$636	4%	3%	0%	7%
OPHTHALMOLOGY	\$5,343	-4%	-2%	0%	-6%
OPTOMETRY	\$1,359	-2%	-2%	0%	-4%
ORAL/MAXILLOFACIAL SURGERY	\$79	-2%	-2%	0%	-4%

ORTHOPEDIC SURGERY	\$3,812	-3%	-1%	0%	-4%
OTHER	\$48	-3%	-2%	0%	-5%
OTOLARNGOLOGY	\$1,271	4%	3%	0%	7%
PATHOLOGY	\$1,265	-5%	-4%	0%	-9%
PEDIATRICS	\$67	4%	2%	0%	6%
PHYSICAL MEDICINE	\$1,164	-3%	0%	0%	-3%
PHYSICAL/OCCUPATIONAL THERAPY	\$4,973	-4%	-4%	0%	-9%
PHYSICIAN ASSISTANT	\$2,901	5%	2%	0%	8%
PLASTIC SURGERY	\$382	-4%	-3%	0%	-7%
PODIATRY	\$2,133	-1%	0%	0%	-1%
PORTABLE X-RAY SUPPLIER	\$95	-2%	-4%	0%	-6%
PSYCHIATRY	\$1,112	4%	3%	0%	7%
PULMONARY DISEASE	\$1,654	0%	0%	0%	1%
RADIATION ONCOLOGY AND RADIATION THERAPY CENTERS	\$1,809	-3%	-3%	0%	-5%
RADIOLOGY	\$5,275	-6%	-4%	0%	-10%
RHEUMATOLOGY	\$548	10%	5%	1%	15%
THORACIC SURGERY	\$352	-5%	-2%	0%	-8%
UROLOGY	\$1,810	4%	4%	0%	8%
VASCULAR SURGERY	\$1,293	-2%	-4%	0%	-6%
TOTAL	\$97,008	0%	0%	0%	0%

* Column F may not equal the sum of columns C, D, and E due to rounding.