

CMS Issues Physician Fee Schedule and Hospital Outpatient Payment Rates for 2021

On August 4, 2020, CMS issued proposed rules and rates for services provided under the Physician Fee Schedule and the Hospital Outpatient Prospective Payment System. While neither Proposed Rule includes transplant-specific provisions, both have implications for ASTS members.

Reduction in Conversion Factor

The most significant change of interest to ASTS members is a reduction of almost 11% in the Physician Fee Schedule “conversion factor” (the dollar multiplier used to “convert” RVUs into payment rates) from \$36.06 to \$32.26. CMS is proposing this reduction in large part because of changes in coding and valuation adopted last year for certain Evaluation and Management (E&M) office and outpatient visits. In addition to increases in payment for E/M office visits, a number of other CMS proposals would increase Medicare payment for select services. These include proposed increases in Medicare payment for ESRD services, immunizations, psychiatric evaluations and psychotherapy, wellness visits, emergency department visits, physical and occupational therapy, and transitional care management.

In order to maintain budget neutrality (as required by statute), CMS is proposing a reduction of almost 11% in the conversion factor. For this reason, while the proposed RVUs associated with transplant procedures are very slightly higher than 2020 RVUs, Medicare payment will drop by 9-10% if the Proposed Rule is finalized without change. See accompanying spreadsheet.

A number of professional associations, including ASTS, are participating in an initiative urging Congress to waive the budget neutrality requirements that necessitate the proposed reduction in the Physician Fee Schedule conversion factor, in light of the severe impact that COVID-19 has had on physicians and surgeons throughout the country.

Telehealth Services

The Physician Fee Schedule Proposed Rule also includes other proposals of potential interest to ASTS members, including a proposal to extend access to certain telehealth services through 2021, even if the Public Health Emergency ends sooner. However, CMS does not have the statutory authority to continue on a permanent basis the expansion of telehealth benefits to Medicare patients in home settings or in non-rural areas: Maintaining current access to telehealth services will take an act of Congress.

Changes in Payments to Hospitals

The impact of the Hospital Outpatient Prospective Payment Proposed Rule on ASTS members is more indirect: The Hospital Outpatient Prospective Payment System determines the payment available to hospitals, including Transplant Centers, for hospital outpatient services, including pre-and post-surgical care and follow up. The 2021 Hospital Outpatient Prospective Payment System Proposed Rule proposes increasing hospital outpatient payment rates by about 2.6 percent. Based on this update, CMS estimates that total payments to OPSS providers (including beneficiary cost-sharing and estimated changes in enrollment, utilization, and case-mix) for calendar year (CY) 2021 would be approximately \$83.9 billion, an increase of approximately

\$7.5 billion compared to estimated CY 2020 payments. However, the impact of the proposed changes would not be evenly distributed among hospitals: According to CMS estimates, rural hospitals would experience greater percentage increases than urban hospitals. Classifying hospitals by teaching status, CMS estimates nonteaching hospitals would experience an increase of 3.5 percent, minor teaching hospitals would experience an increase of 3.2 percent, and major teaching hospitals would experience an increase of 1.6 percent. CMS' proposal to provide payment for 340B drugs at ASP minus 28.7 percent rather than ASP+6% may impact the finances of some ASTS members' institutions.

2020 RVUs Compared to Proposed 2021 RVUs

CPT¹/ HCPCS	Description	RVUs 2020	Proposed RVUs 2021	RVU % change	2020 \$	Proposed 2021	Diff \$	% Diff \$
32851	Lung transplant, single	94.85	96.05	1%	3423.137	\$ 3,098.57	\$ (324.56)	-9%
32852	Lung transplant with bypass	103.04	105.02	2%	3718.714	\$ 3,387.95	\$ (330.77)	-9%
32853	Lung transplant, double	132.95	134.02	1%	4798.166	\$ 4,323.49	\$ (474.68)	-10%
32854	Lung transplant with bypass	141.20	142.14	1%	5095.908	\$ 4,585.44	\$ (510.47)	-10%
33935	Transplantation, heart/lung	143.67	144.62	1%	5185.05	\$ 4,665.44	\$ (519.61)	-10%
33945	Transplantation of heart	141.12	142.36	1%	5093.021	\$ 4,592.53	\$ (500.49)	-10%
47122	Extensive removal of liver	100.10	101.37	1%	3612.609	\$ 3,270.20	\$ (342.41)	-9%
47125	Partial removal of liver	89.80	91.09	1%	3240.882	\$ 2,938.56	\$ (302.32)	-9%
47130	Partial removal of liver	96.45	97.94	2%	3480.881	\$ 3,159.54	\$ (321.34)	-9%
47135	Transplantation of liver	157.05	159.20	1%	5667.935	\$ 5,135.79	\$ (532.14)	-9%
47140	Partial removal, donor liver	103.98	105.63	1%	3752.638	\$ 3,407.62	\$ (345.01)	-9%
47141	Partial removal, donor liver	124.55	126.28	2%	4495.01	\$ 4,073.79	\$ (421.22)	-9%
47142	Partial removal, donor liver	137.42	139.10	1%	4959.488	\$ 4,487.37	\$ (472.12)	-10%
47146	Prep donor liver/venous	9.57	9.66	0%	345.3813	\$ 311.63	\$ (33.75)	-10%
47147	Prep donor liver/arterial	11.16	11.29	1%	402.7644	\$ 364.22	\$ (38.55)	-10%
48552	Prep donor pancreas/venous	6.89	6.96	1%	248.6601	\$ 224.53	\$ (24.13)	-10%
48554	Transpl allograft pancreas	74.45	76.83	3%	2686.901	\$ 2,478.54	\$ (208.36)	-8%
50320	Remove kidney, living donor	43.72	44.90	3%	1577.855	\$ 1,448.47	\$ (129.38)	-8%
50327	Prep renal graft/venous	6.31	6.40	1%	227.7279	\$ 206.46	\$ (21.26)	-9%
50328	Prep renal graft/arterial	5.53	5.58	1%	199.5777	\$ 180.01	\$ (19.57)	-10%
50329	Prep renal graft/ureteral	5.26	5.32	1%	189.8334	\$ 171.62	\$ (18.21)	-10%
50340	Removal of kidney	27.58	28.35	3%	995.3622	\$ 914.57	\$ (80.79)	-8%
50360	Transplantation of kidney	70.34	71.84	2%	2538.571	\$ 2,317.56	\$ (221.01)	-9%
50365	Transplantation of kidney	83.56	85.37	2%	3015.68	\$ 2,754.04	\$ (261.64)	-9%
50370	Remove transplanted kidney	35.06	35.98	3%	1265.315	\$ 1,160.71	\$ (104.60)	-8%
50380	Reimplantation of kidney	58.47	60.14	3%	2110.182	\$ 1,940.12	\$ (170.07)	-8%