

CMS Finalizes Physician Fee Schedule Payment Reduction that Lowers Medicare Payment for Transplantation Procedures by 9%

Despite uniform and vigorous objections from the medical community and strong Congressional pressure, CMS has finalized a Physician Fee Schedule (PFS) conversion factor for 2021 of \$32.41, a reduction of \$3.68 from the CY 2020 PFS conversion factor of \$36.09. This will result in an overall reduction of approximately 9% in Medicare payment for the professional services associated with transplantation. This reduction primarily results from the need to maintain budget neutrality for increases in Medicare payment for Evaluation and Management (E&M) services. ASTS and others are continuing to urge Congress to enact legislation that would eliminate or mitigate the impact of the reduction.

The Physician Fee Schedule Final Rule also finalizes 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. It also includes other proposals supporting the use of telehealth.

CMS has also finalized rates and policies to be implemented for hospital outpatient services. 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. For the CY 2021 OPPTS/ASC, CMS is establishing an outpatient department fee schedule increase factor of 2.4 percent. As a result of the fee schedule increase factor and other budget neutrality adjustments, CMS estimates that urban hospitals will experience an increase in payments of approximately 2.6 percent and that rural hospitals would experience an increase in payments of 2.9 percent. Classifying hospitals by teaching status, CMS estimates that nonteaching hospitals will experience an increase in payments of 2.9 percent, minor teaching hospitals will experience an increase in payments of 3.0 percent, and major teaching hospitals will experience an increase in payments of 2.0 percent.