Infectious Diseases Physicians Continue to See Reimbursement Cuts Under Medicare's Physician Fee Schedule

On July 13, CMS released the Calendar Year 2024 Medicare Physician Fee Schedule proposed rule. To help explain its proposed policies, CMS also issued a press release, a physician fee schedule fact sheet, a QPP fact sheet and a shared savings program fact sheet. IDSA intends to provide feedback on the proposed policies and will continue advocating with both the Administration and Congress for additional policies to increase ID physician reimbursement.

Key Takeaways

- ID physicians face an estimated 2.25% reduction in payment as a result of proposed downward adjustments to the MPFS conversion factor.
- CMS is proposing to implement a new add-on payment to better recognize the resource costs associated with evaluation management visits for complex patients. This complexity code may be applied only to office and outpatient E/M codes, limiting its potential benefit for ID.
- The proposed rule includes a detailed request for feedback on E/M valuations, signaling the agency has heard IDSA's repeated concerns regarding chronically low valuation of these codes. This feedback request provides an important advocacy opportunity for IDSA.
- IDSA will be asking members to support our advocacy for improved ID physician compensation — stay tuned!

2024 MPFS Conversion Factor

The CY 2024 proposed MPFS conversion factor is $32.7476, a decrease of approximately 3.4% ($1.1396) from the CY 2023 MPFS conversion factor of $33.8872. The CY 2024 proposed MPFS conversion factor reflects the following:

- The 0.00% update adjustment factor as established in the Medicare Access and CHIP Reauthorization Act of 2015;
- A budget neutrality adjustment of -2.17%, primarily due to the implementation of the revised complex care add-on code (G2211);
- A 1.25% update provided by Congress, which is lower than the 2.5% update that Congress provided for CY2023.

CMS' estimated impact on total allowed charges by specialty reflects a reduction of 2.25% for infectious diseases when taking into account each of the above factors.

"Complexity" Add-On Code

In the CY 2021 MPFS, CMS finalized a "complexity" add-on code, HCPCS G2211, that physicians could bill separately in addition to office and outpatient E/M codes (CPT 99202 – 99215). Because the complexity add-on code may only be applied to office and outpatient E/M codes, and not inpatient E/M, it is not expected to provide much benefit to ID. IDSA will ask CMS to provide sufficient guidance on the use of this code and will look for opportunities to maximize the benefit this code can provide to ID clinicians.

While CMS intended the new add-on code to address the additional time, intensity and practice expense associated with ongoing care, including for a single serious or complex condition, its implementation would have resulted in a redistribution of approximately $3 billion across the MPFS. Coupled with the significant increases in office and outpatient E/M services and other payment and policy changes implemented in CY 2021, physicians faced a 10.2% reduction in the conversion factor. To mitigate the financial impact, Congress delayed implementation of the complexity add-on through CY 2024.

In this proposed rule, CMS explains that the moratorium on Medicare payment under the PFS for HCPCS code G2211 will end on Dec. 31, 2023, and the agency proposes to make HCPCS code G2211 separately payable effective Jan. 1, 2024. Importantly, CMS is proposing refinements to the complex care add-on code policy, including a change in the utilization assumptions, that collectively reduces the redistributive impact to the CY 2024 CF by nearly one-third of the estimated impact described in the CY 2021 Medicare PFS final rule.

Valuation of E/M Codes

Thanks to IDSA's persistent advocacy about improving the valuation of the codes ID physicians use most — E/M codes — CMS included in the proposed rule a request for feedback to inform potential reforms to the way CMS establishes values for E/M services. In particular, CMS asks about whether existing E/M codes accurately capture intensity of care provided, whether the methods used by the RUC and CMS to value E/M services are appropriate, and what the consequences are if these services are not accurately valued. This provides an important opportunity for IDSA to continue advancing advocacy on this critical topic.

IDSA is reviewing the remaining policies in the proposed rule and will share a more comprehensive summary of notable policies in the coming weeks.