

## 2023 Medicare Physician Fee Schedule Final Rule: Initial IDSA Response

### November 2022

On Nov. 1, the Centers for Medicare and Medicaid Services released its calendar year 2023 Medicare Physician Fee Schedule final rule. Key elements of the rule are summarized below. ID physicians are expected to receive 4% overall increase in payments under the proposal, while most other specialties are facing cuts. IDSA conducted significant advocacy for a stronger approach to updating inpatient E/M services that would have resulted in a larger increase for ID physicians. Unfortunately, CMS rejected IDSA's recommendations. IDSA sent this [letter](#) to CMS requesting a follow-up meeting with the administrator, released [this press statement](#), sent this [letter to Congress](#) on the need to improve ID physician reimbursement and will continue our advocacy on this high priority. Additional information on the MPFS final rule is summarized below.

- **Conversion Factor and ID Impact.** For CY 2023, CMS proposes an MPFS conversion factor of \$33.0607 (or about 4.47% less than the CY 2022 MPFS conversion factor). This is a slightly larger reduction than was proposed (4.42% in the proposed rule). CMS estimates an overall increase in payments to ID physicians of 4%, which adjusts to a 6% increase and a 2% reduction based on practice setting (facility or non-facility, respectively). These impacts do factor in changes to inpatient and observation E/M codes (described below) but do not factor in the expiring CY 2022 congressionally-mandated 3% boost to the conversion factor. IDSA is actively supporting bipartisan efforts in Congress to prevent any reimbursement cuts to physicians for 2023.

- **Inpatient and Observation E/M Coding, Documentation and Values.** CMS finalized its proposed changes in coding and documentation, as well as revisions to relative values, for inpatient, hospital observation and other types of E/M visits, effective Jan. 1, 2023. The updated values stem from recommendations by the AMA CPT Editorial Panel and AMA/Specialty Society RVS Update Committee. IDSA conducted significant advocacy with CMS, the Department of Health and Human Services, the White House and Congress for a better approach to updating coding for E/M services, which would maintain relativity across the E/M code sets and result in a larger reimbursement increase for ID physicians. Thanks to IDSA's advocacy, members of Congress and other medical societies urged CMS to adopt our position. Unfortunately, CMS noted in the final rule that it disagreed with the large number of comments it received in support of our approach.

- **Telehealth.** CMS finalized its proposal to continue to include on the Medicare Telehealth Services List the services that are set to be removed from the list when the Public Health Emergency ends for an additional 151 days following the end of the PHE, consistent with the extension of the Medicare telehealth flexibilities under the Consolidated Appropriations Act, 2022. In addition, CMS finalized the addition of several services to the Medicare Telehealth Services List on a Category 3 basis, as well as the addition of prolonged other E/M services and chronic pain management services to the Medicare Telehealth Services List on a permanent Category 1 basis. With respect to modifiers for Medicare telehealth services, CMS finalized that, for telehealth services furnished through the later of the end of the year in which the PHE ends or CY 2023, physicians and practitioners will continue to bill with modifier 95 along with the place of the service code corresponding to where the service would have been furnished in-person; this contrasts with CMS' proposed policy, which only allowed this approach for billing through the 151-day post-PHE period. Lastly, beginning Jan. 1, 2023, CPT modifier "93" can be appended to claim lines, as appropriate, for services furnished using audio-only communications

technology, in accordance with CMS regulation defining interactive telecommunications system. Note that CMS will issue program instruction or other sub-regulatory guidance to implement the extension of the telehealth flexibilities that the Consolidated Appropriations Act, 2022, extended for a period of 151 days after the end of the COVID-19 PHE.

Additional resources:

- [Link](#) to final rule;
- [Link](#) to CMS MPFS press release;
- [Link](#) to CMS MPFS fact sheet;
- [Link](#) to CMS QPP resources.