

Changes to Medicare's 2021 Physician Payment Fee Schedule

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Featured topic and speakers

In today's COVID-19 update, AMA experts are joined by Scott Lauter, MD, chief medical officer of Atlantic Medical Group, to discuss the 2021 Medicare Physician Payment Fee Schedule and what its changes mean for physicians.

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Speakers

- Kathy Blake, MD, MPH, vice president, Health Care Quality, AMA
- Sherry Smith, MPH, director, Physician Payment Policy and Systems, AMA
- Scott Lauter, MD, chief medical officer, Atlantic Medical Group

Transcript

Unger: Hello, this is the American Medical Association's COVID-19 Update. Today, we're discussing the 2021 Medicare Final Rule and what it means for physicians during the pandemic. I'm joined today by Dr. Scott Lauter, chief medical officer of the Atlantic Medical Group in Morristown, New Jersey, Dr. Kathy Blake, the AMA vice president of health care quality in Santa Fe, New Mexico, and Sherry Smith, the AMA's director of physician payment policy and systems in Chicago. I'm Todd Unger, AMA's chief experience officer in Chicago. Last week, the Centers for Medicare and Medicaid Services signed off on Medicare's 2021 Physician Payment Fee Schedule. Dr. Blake, for starters, can you outline some of the key changes and what they mean for physicians?

Dr. Blake: So, Todd, first of all, the news is good, which is that there are foundational improvements that go into effect January 1st of 2021 to the coding documentation and payment for Evaluation and

Management Services for office visits, the so-called E&M services. More than a year ago, CMS announced its intention to move ahead with adoption this coming January of CPT guidelines to report these visits based on either medical decision making or physician time. And in doing so, they wanted to make the process of coding and documenting these visits simpler and more flexible.

What will this mean for physicians who see patients in the office? What it means is that there will be less of that note bloat or unnecessary documentation. You can now focus on what's meaningful to you and your patient, the information from the history and the physical exam that went into your medical decision making and your care. What we're expecting is that you'll be able to spend more time with patients and less time on documentation and coding. And really, the hope is that we can correct the current imbalance, which is that for every hour that physicians spend with a patient, they spend two hours behind a computer screen. We really think of this as the biggest change in 26 years and it sure wasn't a small undertaking.

Unger: Wow. That is an incredible statistic. And we know that a lot of that documentation burden underlies some of the issues around physician burnout, so that's a substantial change in benefit. As you mentioned, it's been a lot of work. The AMA has been deeply involved in that. Ms. Smith, can you talk a little bit about what the AMA did to help make this happen?

Smith: Sure. In 2018, CMS put forward a proposal to collapse payment of office visits. And while organized medicine was pleased with the opportunity to reduce administrative burden, the proposal caused some significant concern. In response, 170 medical societies, state societies, and other health care professionals called on CMS to work with the AMA to find an acceptable physician-led solution. A work group of the CPT Editorial Panel and the AMA Specialty Society RVS Update Committee, or the RUC, was immediately convened to develop an expedited solution. Hundreds of physicians and organizations provided formal input and participated in each meeting. The CPT Editorial Panel reviewed and adopted the work group proposal in February 2019. The work group that helped to develop a survey to gather data on the resource cost of office visits. Fifty medical specialty societies participated in the survey. And within a matter of weeks after the panel meetings, 1,700 physicians had responded.

The results were compelling, justifying an increase in valuation and with great consistency between the specialists. Surgeon, internal medicine, sub-specialties, primary care and other health care professionals all participated in the survey and the consensus process to develop these recommendations. The RUC was then convinced that the work values to office visits should be increased and the work increase should be also applied to the surgical post-operative payment. CMS will implement the recommendations for increased valuation on January 1st, that redistributes more than five billion into the office visits. However, we do still have some work to do to convince the agency to also implement increases to the visits within the global payment.

Unger: And we'll talk about that a little bit later in the program, but that is a substantial change and I

guess with AMA when they talk about speaking with a unified voice. Dr. Lauter, can you talk a little bit about how these changes are going to affect health systems and particularly now during the pandemic?

Dr. Lauter: Well, sure, Todd. And we appreciate all the work AMA has done on our behalf. There's two parts of this. One is the changes in documentation requirements and coding. And the second part is the RVUs and the conversion factor. I'm going to address the first part. When I look at a physician or they look at mine, and my background, internal medicine and hospital medicine, they want to know what is Scott thinking, what is Scott going to do, or assessment and plan? That's why many systems when they go electronically in the hospital, they switch the note around and put the assessment plan first. That's the meat of the note, that tells us what's going on, what we want to do with the patient.

Unfortunately, we've had to do this counting bullet points in the history, in the physical exam, in the review of systems, which detracts from what we're trying to communicate, and it's been a burden to our physicians and our advanced practice clinicians. And we're so happy to see we've moved away from that and getting back to what's the essence of the note, which is what is the medical decision making, what is my substance and plan and let that drive the documentation and drive the level of service coding. Still documenting your history and physical is relevant to the problems you address, but no more of this crazy counting points and bullet points which was just lunacy. So, we're very excited about that. It's going to mean that our physicians can spend more time with their patients face to face. Their business will be less stressful around, am I counting all the right bullet points and what I think is going on, what I'm going to recommend we're going to do with this patient, that's what it's all about.

I think in the current environment of taking care of COVID and non-COVID patients and the added pressures on our physicians, this will be a huge relief of a burden from them, this burden of documentation of things that don't really make much sense in terms of the entirety of the visit. So, we see that as a real positive for our physicians.

Unger: Well, that's amazing news. And we heard earlier in the program, Ms. Smith said that there's some work to be done. In the final rule it wasn't all necessarily all good news, especially for physicians that are struggling right now and the pandemic. Dr. Blake, can you talk a little bit about that?

Dr. Blake: Yes. And really as background, I think it's important for our audience to be reminded that under current law, CMS is required to make budget neutrality adjustments in the physician fee schedule. And those have to go into effect whenever there are changes in the RVU evaluation that could result in a payment increase or decrease by \$200 million or more, with the adjustments that have been made, and as Ms. Smith mentioned, we're expecting and CMS is expecting, what does it mean? It means that there will be some increases because the ENM payments, but there will also be some decreases. And what we're concerned about is that physicians' practices, many of them are

experiencing substantial economic hardships due to COVID-19. And so, it's our view that the payment plans could not come at worst time. We're also concerned that the cuts will directly impact the care received by COVID-19 patients because the cuts will affect the payments for hospital visits, critical care visits, nursing home visits and home visits.

The only way that this can be prevented is if Congress acts before the end of the year to override the requirement for budget neutrality. And so, as a result, this is the focus right now for AMA and many other physician organizations in their conversations with members of Congress and their staff.

Unger: That's incredibly important right now. Dr. Lauter, can you speak to the impact on health systems?

Dr. Lauter: Yeah. It's a real concern and our chief operating officer Chris Herzog figured this out early on, and he was one of the early folks identified the challenges here. Because of the budget neutrality and the reduction of the conversion factor. It's great that we want to increase the RVUs for office-based E&M services. That's been under-recognized. We appreciate that as being recognized appropriately. However, by reducing the conversion factor, what we're seeing is that we'll be increasing RVUs for physicians, not necessarily having an increase in revenue, but we're seeing that in our system and other systems where physicians are compensated based on their RVUs. So RVUs are going up, compensation will go up accordingly. However, the RBRVS doesn't follow because of the reduction in conversion factor, make it budget neutral. So, we're looking at fairly big impact, a small reduction in revenue, but a much greater potential increase on paper compensation. and there's a big hole there.

So, everybody across the country is grappling with the same issue. We're working that outside consultant. We're going to be drafting some communication strategies, but this is the real issue, although it sounded great on paper that we're going to give people more credit for their office space CNM services. Without that as Dr. Blake described that adjustment in the reimbursement, we are going to be facing some problems and other systems like ourselves are dealing with this challenge right now. It's not a good situation to be in.

Unger: Well, that certainly does in a picture of how much work needs to get done because at the same time that's happening also, you've got to be preparing physicians and health systems for the upcoming changes with education and follow up. Dr. Lauter, how are you doing that in terms of implementation?

Dr. Lauter: So, we have been focusing on the documentation coding side of things. We have provided a series of webinars for our physicians at different days at different times that they can attend. We've shared those PowerPoint slides; we've recorded a video that people can watch. A synchronously created a document of all the Q and A's that arose from those webinars and that's been shared. We also share the wonderful AMA CPT medical decision-making grid that you prepare, because again, the message the physicians is, is really, should be driven by your medical decision

making. Using time is a much less frequent occurrence, and actually they increased the amount of time and provided their own ranges. So, it's really better to go by medical decision making and what we've seen to some changes in the medical decision making, some requirements for the data elements that make a little less cumbersome, less onerous. So, we've really been reinforcing with this with the physicians, it's still going back to that all-important medical decision making.

We'll be doing some spot checks in January of office visits to see how people are doing. We made dedicated email address for people to reach out with questions, which gets a lot of traffic every day. And then as these questions come up, we'll create QA document to share with our physicians. But the message is really we've been doing this all along, let's have a renewed focus on the medical decision making on the assessment plan part of the note, not put too much thought into the time, unless it is appropriate for that visit. And we'll continue to monitor as we go along. But again, this is really good news for physicians, relieves that burden that's been there for too long, and that documentation of those bullet points, as I mentioned earlier.

Unger: Dr. Blake, can you talk a little bit about how the AMA is helping physicians prepare for all of these changes?

Dr. Blake: So, we've been getting ourselves prepared for more than a year as we've seen the process unfold. But what we realized is that a lot of physicians and their practices may just now be starting to really pay attention since these changes have been finalized. And it would be a terrible disappointment if at the end of the day, physicians were continuing to document just as they have for the last 26 years. And we want you to be able to overcome note bloat. So, we've developed resources that include a checklist, videos, modules, guidebooks, other tools and references. Think of them as news that you can use right now. And these can be accessed through the AMA's website.

Unger: Ms. Smith, we talked a little bit about the work that needs to get done right now. If physicians want to take an active role in protesting the payment cuts we discussed, what should they do?

Smith: Well, the AMA is working to halt the 10.2% reduction to Medicare payment. And this is critical to protect physicians and patients from devastating cuts during a public health emergency. We believe it is important to hold physician payments harmless from these cuts and propose legislation in the house does just that. Physicians could help this effort by contacting their member of Congress through the Physician Grassroots Network at physiciansgrassrootsnetwork.org. Ask your representatives to support the holding providers harmless from Medicare cuts during COVID-19 act. And that's HR-8702.

Unger: Well, thank you so much, Ms. Smith. It's clear that we have a lot of work and how important it is that physicians participate in this advocacy right now. That's it for today's COVID-19 update. I want to thank Dr. Lauter, Dr. Blake and Ms. Smith for being here today and sharing their perspectives. We'll be back soon with another COVID-19 update for resources on COVID-19, visit ama-assn.org/covid-19. Thanks for joining us, please take care.

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