

CMS ADMINISTRATOR VERMA DOWNPLAYS MEDICARE CUTS, BUT PROVIDERS WANT CONGRESS TO STEP IN

Specialty physicians blasted payment cuts finalized by CMS Tuesday (December 1) and said they will ask Congress to reverse them, but CMS Administrator Seema Verma told Inside Health Policy the cuts are nothing out of the ordinary and should not be conflated with the current pandemic.

CMS' final 2021 Medicare Physician Fee Schedule (MPFS) includes cuts of up to 10% for a number of specialties, while other providers could see 16% increases after the agency implements changes to evaluation and management payment and the cuts needed to make those pay hikes budget neutral — and Verma said such payment policies are routine.

"Every year, we go through this process where we're making adjustments to the reimbursements, and so every year there are pluses and minuses, so that's not necessarily something that's not routine, that happens all the time," Verma said.

But the American Medical Association called the cuts a "shocking reduction of 10.2% to Medicare payment rates in the midst of the worsening COVID-19 pandemic while physicians are continuing to care for record numbers of patients diagnosed with COVID-19 and trying to keep the lights on in their practices," and the physician lobby urged Congress to step in.

Under the final 2021 physician fee schedule, endocrinologists would see the largest pay increase at 16%, while those in rheumatology would see pay go up by 15%, hematologists/oncologists would see a 14% pay bump and family practice doctors would see reimbursement rise by 13%.

To offset the payment increases, the specialties of radiology, nurse anesthetist and chiropractor would see 10% cuts. Others, including the specialties of physical and occupational therapy and pathology would see 9% cuts.

The redistribution of payment under the physician fee schedule is a result of the budget neutrality requirements linked to the 2020 rule's increase in pay for evaluation and management visits starting in 2021. Some pay bumps and cuts are slightly less than proposed — endocrinology was projected to see a 17% increase under the proposed rule — as CMS said it had revised the number of providers expected to get higher payment under the new evaluation and management codes, which led to smaller offsetting cuts.

"Primary care providers are not being reimbursed appropriately for the time that they are spending with patients, and so we can't

continue to penalize those providers while continuing to have increases for providers that are doing more procedures. At the end of the day, we are reimbursing all providers for the time that they spend with patients," Verma said on the press call.

Ted Okon, executive director of the Community Oncology Alliance, noted the payment increase projected for oncologists but added the prudent action in the middle of a pandemic would have been to hold off the cuts to other providers for a year. Early on, what the administration did on telehealth and with provider relief funds was praise-worthy, Okon said, but the administration's decisions to move forward with payment cuts in the physician fee schedule and the most favored nations drug-pricing model are totally contrary to that, he added.

"This rule was a dangerous policy even before the pandemic, and enacting it during the worst health care crisis in a century is unconscionable. If Congress fails to act, it will further strain a health care system that's already been pushed to the brink due to the COVID-19 pandemic and undermine patient care," said John Wilson, president of the American Association of Neurological Surgeons, in a statement from the Surgical Care Coalition.

But Verma said the pandemic and the changes to physician payment are two separate issues — and she said the problems providers face from COVID-19 have already been handled.

"The issues around the pandemic are hopefully short term and those have been addressed by the provider relief fund. The changes that we are making today, while going into effect, will have a long term impact on the entire health care system," Verma said.

The final rule notes that some stakeholders had asked CMS to use its public health emergency authority to mitigate the budget-neutrality requirements of the rule, but the agency says that's not possible.

"The Secretary's waiver authority pursuant to the public health emergency declaration for COVID-19 does not extend to authorize changes to the MPFS outside of budget neutrality. Additionally, section 1848 of the Act does not grant the Secretary the authority to exempt categories of physicians or practitioners from the budget neutrality adjustments," the rule says.