

## CMS RELEASES 2024 MEDICARE PHYSICIAN FEE SCHEDULE (MPFS) FINAL RULE

On November 2, 2023, the Centers for Medicare and Medicaid Services (CMS) issued a final rule that announces finalized policy changes and payments under the Medicare Physician Fee Schedule (MPFS) effective on January 1, 2024.

The MPFS specifies payment rates to physicians and other providers, including freestanding radiation therapy centers, for more than 7,000 health care services and procedures, ranging from office visits to surgical procedures. Payments are based on the relative resources typically used to furnish the service. Relative value units (RVUs) are applied to each service for physician work, practice expense and malpractice. These RVUs become payment rates through the application of a conversion factor, which is updated annually.

CMS calculates the 2024 conversion factor to be \$32.74, which is a 3.4 percent decrease (or \$1.15) from the current 2023 conversion factor of \$33.89.

Beginning January 1, 2024, CMS is finalizing implementation of a separate add-on payment for healthcare common procedure coding system (HCPCS) code G2211 for an inherently complex office visit. This add-on code will better recognize the resource costs associated with evaluation and management (E/M) visits for primary care and longitudinal care. Generally, it will be applicable for outpatient and office visits as an additional payment, recognizing the inherent costs involved when clinicians are the continuing focal point for all needed services, or are part of ongoing care related to a patient's single, serious condition or a complex condition. Implementing payment for this add-on code has redistributive impacts for all other 2024 payments due to budget neutrality requirements.

After consideration of public comments, CMS is finalizing the Excessive Radiation Dose or Inadequate Image Quality for Diagnostic Computed Tomography (CT) in Adults (Clinician Level) measure with modification. While CMS proposed to adopt the measure for the 2024 performance period/2026 MIPS payment year, they are instead finalizing this new measure with a 1-year delay. The measure will be available for the 2025 performance period/2027 MIPS payment year and future years.

CMS is finalizing the proposal to pause efforts to implement the Appropriate Use Criteria (AUC) program. CMS is rescinding the current AUC program regulations. CMS will continue efforts to identify a workable implementation approach and will propose to adopt any such approach through subsequent rulemaking.

The 2024 MPFS policy changes result in estimated overall cuts of 2.0 percent to radiation oncology services and minus 3.0 percent to radiology. The estimated impacts for several specialties, including radiation oncology and radiology, reflect decreases in payments relative to payment to other physician specialties, largely resulting from the redistributive effects of the implementation of separate payment for the E/M visit inherent complexity add-on code, the year 3 update to clinical labor pricing, and the adjustment to certain behavioral health services. The services that make up these specialties were negatively affected by the redistributive effects of increases in work RVUs for other codes, and rely primarily on supply/equipment items for their practice expense costs and therefore were affected negatively by the updated year 3 clinical labor pricing under budget neutrality.

2024 MPFS Payments and the Final Rule Summary are available at:

[https://www.aapm.org/government\\_affairs/CMS/2024HealthPolicyUpdate.asp](https://www.aapm.org/government_affairs/CMS/2024HealthPolicyUpdate.asp)