

## PAYMENT CUTS TO RADIATION ONCOLOGY UNDER THE 2022 MEDICARE PHYSICIAN FEE SCHEDULE PROPOSED RULE

The Medicare Physician Fee Schedule (MPFS) proposed rule was published on July 13, 2021. 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.

Key proposals and policies include:

- The proposed 2022 conversion factor is \$33.58, a significant 3.75% decrease to the current 2021 conversion factor of \$34.89.
- CMS is proposing to update the clinical labor pricing using the Bureau of Labor Statistics (BLS) data, which has not been updated since 2002. The Medical Physicist rate per minute increases from \$1.52 per minute to \$1.80 per minute. CMS notes that they are proposing to use the 75th percentile of the average BLS wage data for the Medical Physicist.
- CMS estimates that the proposed clinical labor pricing effect on radiation oncology is minus 4.0% if fully implemented in 2022. CMS is considering a 4-year transition period, which would mitigate the impact to minus 2.0% in 2022.
- Calendar year 2022 is the fourth and final year of the transition to updated pricing for several radiation oncology medical equipment items, including an IMRT treatment planning system, HDR afterload system, SBRT system and brachytherapy treatment vault.
- CMS is proposing to begin the Appropriate Use Criteria (AUC) claims processing system edits and payment penalty phase of the program on the later of January 1, 2023, or the January 1 of the year after the year in which the public health emergency (PHE) for COVID-19 ends.

For radiation oncology, the 2022 proposed rule impact is minus 5.0 percent. The estimated impact reflects decreases in payments, which are the result of the redistributive effects of the proposed clinical labor pricing update. The services furnished by radiation oncologists involve practice expense costs that rely primarily on medical supply or medical equipment items and therefore are affected negatively by the proposed updates to clinical labor pricing. Since practice expense is budget neutralized within itself, increased pricing for clinical labor holds a corresponding relative decrease for other components of practice expense such as medical supplies and equipment. Proposed RVU changes for 2022 are also attributed to revaluation of procedures due to updates to medical equipment pricing (as noted above).

AAPM will submit written comments to CMS by the September 13th deadline. The final rule will be published on or about November 1st with all payments and policies effective on January 1, 2022.

For more information, including proposed 2022 payment and impacts and a detailed proposed rule summary go to:

[https://www.aapm.org/government\\_affairs/CMS/2022HealthPolicyUpdate.asp](https://www.aapm.org/government_affairs/CMS/2022HealthPolicyUpdate.asp)