CMS RELEASES CY 2023 MEDICARE PHYSICIAN FEE SCHEDULE PROPOSED RULE

On Tuesday, November 1, the Centers for Medicare & Medicaid Services (CMS) released the CY 2023 Medicare Physician Fee Schedule (MPFS) final rule and fact sheet. This rule outlines the agency's payment and quality program policies for the upcoming year.

Some highlights of the rule include the following:

- **Conversion Factor:** The conversion factor for 2023 is set to decrease by approximately **4.5% from $34.6026 to $33.0607.** The decrease is due to the expiration of the 3% increase to payments which was enacted by Congress last year but is due to expire at the end of 2022, which is then coupled with budget neutrality adjustments and a mandated 0% increase. This conversion factor decrease is then coupled with a mandated 4% cut as across the Medicare program, including the MPFS, mandated by Congress' pay-as-you-go rule. CMS does not have the authority to increase the conversion factor or alleviate the other 4% cut. Congress will be returning to Washington after the midterm elections and addressing these payment cuts will be on their lame duck agenda. The Endocrine Society has an active campaign to urge Congress to eliminate these cuts. Please consider participating.
- **Evaluation and Management (E/M) Services:** CMS adopted nearly all the revisions for CPT® codes used to report other E/M visits including inpatient and observation services. The changes include revisions to the documentation guidelines and to the descriptors for these services, which will now mirror the revisions previously made to the outpatient E/M services. As of January 1, 2023, inpatient E/M code level may be chosen based on time or medical decision making, and like the outpatient E/M codes, using the history and exam to determine code level has been eliminated. However, physicians will not see significant increases in the values of these services, particularly compared to what happened with the outpatient family based on the final values.
- **Telehealth:** CMS continues to support the use of telehealth in treating Medicare patients during the public health emergency. As such, the agency will retain the services added to the telehealth list on a temporary basis through 2023 or 151 days after the public health emergency, whichever date is later, to allow for data collection so the agency may better understand the use of telehealth services within the Medicare program. The agency also outlined the appropriate modifiers that should be appended to telehealth services after the 151-day extension expires. The agency may issue program guidance on the post-PHE transition for telehealth services rather than waiting until the CY 2024 rulemaking. While CMS solicited comments on making virtual direct supervision permanent, they did not finalize any policies in this rule.
- **New Values for the 180-Day Implantable Interstitial Glucose Sensor System:** Since the Food and Drug Administration recently approved the new 180-day system, CMS released two G-codes for billing the use of the system, which have been contractor priced since July 1. As of January 1, these new G-codes will be deleted and the existing Category III codes 0446T and 0448T will be updated to reflect the cost of the new 180-day sensor.
- **Potentially Underutilized Services – Diabetes Self-Management Training:** CMS pays for services that support beneficiaries' health and well-being, which may also have the benefit of reducing spending: Diabetes Self-Management Training (DSMT) is one of those services. These services,

however, may be underutilized, and the agency solicited comment on how to improve access to underutilized, high value services and mitigate any obstacles to their adoption. Despite receiving multiple comments on this topic, including from the Endocrine Society, CMS did not finalize any policy changes related to these services and instead will consider them for future rulemaking and program refinement.

- **Quality Payment Program:** The agency finalized its policy to implement the Merit-Based Incentive Payment System (MIPS) Value Pathways as a voluntary option in CY 2023 with 12 proposed pathways, none of which are specific to endocrinology. This program is CMS' answer to make participation in the MIPS program more coherent and meaningful. The Advanced Alternative Payment Model (APM) incentive payment expires at the end of 2022, and it would require an act of Congress to extend. CMS expressed concern that providers might return to the MIPS pathway without an extension because they would receive higher payments than in the APM pathway in the absence of the added incentive.
- **Health Equity Initiative:** CMS is sought feedback on the inclusion of two new measures in the APM performance pathway measure set: 1) screening for social drivers of health and 2) screen positive rate for social drivers of health. The agency reiterated its commitment to health equity but did not finalize the measures, which may be included in future rulemaking.