

STOP HARMFUL CUTS TO PHYSICIAN REIMBURSEMENT

The Medicare Physician Fee Schedule (PFS) Proposed Rule for FY 2021 includes a proposal to increase payments for evaluation and management (E&M) codes used in providing primary care. Due to the fee schedule’s budget neutrality requirement, these increases in primary care reimbursement are proposed to be offset by a reduction in the “conversion factor” (i.e., the dollar amount used to calculate reimbursement for specific procedures) of almost 11 percent (from \$36.09 to \$32.26), resulting in a major cut to overall physician reimbursement effective January 1, 2021. This threat will significantly harm physical medicine and rehabilitation (PM&R) physicians—known as “physiatrists.”

CMS estimates the fiscal impact of the proposed rule on PM&R will equate to a net 3% cut, *on average*, when the increases in E&M reimbursement are taken into account. This estimate is misleading. PM&R is a diverse field, with many physiatrists managing complex, long-term patients with spinal cord and brain injuries and stroke, while others manage musculoskeletal disorders, sports injuries, pain, and related conditions. The conversion factor cut will therefore have a variable impact on physiatrists, depending on their patient practice. This is why we believe that many physiatrists will experience more than a 3% cut.

Overall, the proposed rule will result in a significant cut in reimbursement for physiatrists which will be very damaging—particularly during a pandemic—to physician practice and could compromise access to patient care. AAPM&R urges Congress and CMS to take decisive action to protect physiatrists and other providers from these dramatic Medicare cuts.

AAPM&R requests that Congress act to prevent any reduction in the conversion factor that would:

Cause Additional Financial Distress

- Many PM&R procedures have been halted during the COVID-19 outbreak, significantly impacting the financial health of physiatry practices nationwide.

Create Barriers to Medical Rehabilitation Care During the Pandemic

- In response to COVID-19, physiatrists have played a unique and critical role, ensuring that patients experiencing severe complications from the virus are able to restore function and optimal health.
- The proposed rule would create barriers for Medicare patients to access medical rehabilitation specialists, including for those who have lost significant function due to the virus, by making it harder for practices to accept Medicare or even continue to keep practices running.

Reduce Access to Patient Care

- Reimbursement cuts to physiatrists of this magnitude would have a ripple effect across many payers, creating potentially unsustainable financial circumstances that could adversely impact Medicare patients’ access to PM&R care.

AAPM&R asks Congress and CMS to eliminate the reimbursement cuts in the FY 2021 Proposed Physician Fee Schedule Rule and avoid significant harm to physiatrists and their patients.