

Issue Brief

Stop the Cuts to the CY 2022 Medicare Physician Fee Schedule

Issue

Long term care providers including rehab therapy, portable x-ray, physician and nurse practitioner services are cut substantially in the 2022 Physician Fee Schedule. Additionally, rehabilitation therapy providers face a cascade of reimbursement reductions that taken together are further eroding the ability of rehab therapy providers to continue. Providers are already experiencing high costs as a result of COVID-19's detrimental impact on the long term care settings we serve.

Background

The calendar year (CY) 2021 Medicare Physician Fee Schedule (PFS) Final Rule advances the Centers for Medicare and Medicaid's (CMS) Evaluation and Management (E/M) policies that will result in significant cuts to many specialty providers, including services provided to nursing facility residents by rehabilitation therapists, portable x-ray providers, and nurse practitioners beginning on January 1, 2022, if Congress fails to act. CMS' has substantially increased the value of the E/M codes billed by specialties that provide primary and chronic care in office based settings. However, because of budget neutrality requirements, the increase in those E/M codes forces significant offsetting cuts to other specialties, including physical and occupational therapy, speech therapy, nurse practitioner and portable x-ray services (among others) for CY2022 in order to offset the E/M increase.

An additional reduction to rehab therapy includes reductions in payment when services provided in whole or in part by rehabilitation therapy assistants, including physical therapist assistants (PTAs) and occupational therapy assistants (OTAs), are utilized. Effective in 2022, reimbursement will be reduced an additional 15%, as was prescribed in the *Bipartisan Budget Act of 2018*.

Providers Already Absorbing a Multitude of Reductions

Rehabilitation services are currently reduced multiple ways, including: (1) MPPR (Multiple Procedure Payment Reduction), which is a 50% reduction to the second and subsequent practice expense; (2) Services provided in the institutional setting are precluded from participation in MACRA/MIPs, which means a zero payment update and no ability to earn a payment increase; (3) a substantial 15% cut for services provided by occupational and physical therapy assistants begins January 1, 2022, the same day that the cuts resulting from the changes to the E/M policy would be implemented. Diagnostic services including portable x-ray have had cuts to the transportation portion of the reimbursement in addition to the PFS cut for 2022; and (4) the 2% reduction due to sequestration will resume on January 2022.

This cascade of compounding reimbursement reductions are extremely disruptive to patient care in the long-term care setting and could potentially result in a loss of access to this enhanced level of care. These reductions are on top of an already difficult operating environment where costs have increased due to PPE requirements and CMS-mandated COVID-19 testing for staff.

Key Facts

The CY2021 Medicare Physician Fee Schedule (PFS) Final Rule advanced Evaluation and Management (E/M) policies that were finalized in the CY2020 PFS and will result in significant cuts to many specialty providers, including rehabilitation therapists, portable x-ray providers, and nurse practitioners in CY2022 if Congress fails to act.

Effective January 1, 2022, payment for services provided in whole or in part by rehabilitation therapy assistants will be cut 15%.

Medicare providers will see services reduced by another 2% when the current moratorium expires and sequestration resumes in **January of 2022**.

Ask Congress

Delay, stay, and/or mitigate CMS' significant cuts to rehab therapy, portable-x ray and other clinical services for nursing facility and other beneficiaries resulting from Evaluation and Management (E&M) changes made by CMS in the Medicare Physician Fee Schedule.

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Issue Brief

Stop the Cuts to the CY 2022 Medicare Physician Fee Schedule *continued*

The chart below provides an illustration of the compounding cuts and the resulting net reductions.

Year	Policy	Provider	Net Reduction
2011	MPPR	Rehab Therapy	-50% to the second and subsequent practice expense
2011	Sequestration	All providers	-2%
2013	Differential for Nurse Practitioners billing physician codes	Nurse Practitioners	-15%
2015	MACRA	All providers	0% increase x 5yrs
2015	MIPS- Unable to participate in quality bonus program	Rehab Therapy in Nursing Facilities, Portable x-ray	0% increase indefinitely
2020	Portable x-ray transportation reimbursement	Portable x-ray	Up to -56%
2021	PFS Proposed Rule	Rehab Therapy	-9%
2021	PFS Proposed Rule	Portable x-ray	-6%
2021	Physicians seeing nursing facility patients	Physicians/Nurse Practitioners	-8-10%
2022	Differential for Therapy Assistants	Rehab Therapy (OT & PT)	-15%

Congress Provides a Temporary and Partial Reprieve

In December 2020, Congress thankfully passed the *Consolidated Appropriations Act (CAA) of 2021 (H.R.133)*, which included a number of temporary legislative fixes to the CY2021 PFS. This action mitigated a portion of the significant cuts that would have gone into effect on January 1, 2021. However, this relief was only temporary and our sector needs additional relief by Congress before the cuts resume, conjunctively with additional cuts described above, on January 1, 2022.

Ask Congress to:

- Delay, stay, and/or mitigate CMS' significant cuts to rehab therapy, portable-x ray and other clinical services for nursing facility and other beneficiaries resulting from Evaluation and Management (E&M) changes made by CMS in the Medicare Physician Fee Schedule. These cuts join a current cascade of compounding reimbursement reductions that are detrimental to patient care.