

Welcome News for Health Care Providers: It's Not as Bad as You Thought – At Least for Now

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In the final days of 2020, Congress passed, and the President signed into law, the latest coronavirus relief package. This additional round of COVID relief legislation contains **welcome news** for health care providers: *a one-time, one-year increase to physician fee schedule payments for 2021.*

- The legislation creates a **3.75 percent increase** in Medicare Physician Fee Schedule (PFS) payments to support physicians and other clinicians.
- The increase is intended to support physicians and other professionals in adjusting to changes in the Medicare PFS during 2021 and to provide relief to physicians and other clinicians during the COVID-19 public health emergency.

In the coming weeks, we expect CMS to communicate the new fee schedule. Until that happens, we cannot know for sure the impact on reimbursement. However, we believe that the 3.75 percent increase will result in an increase to the already published 2021 fee schedule that was designed to be budget neutral, incorporating an overall decrease in the conversion factor of 10.2 percent from 2020 and an increase in work relative value units (WRVUs). If this is the case, reimbursement decreases we had expected in certain specialties will likely be mitigated to some extent in 2021.

So, while the changes in the Work (and Practice Expense) RVUS contained in the final rule published December 1 will be implemented, the government is recognizing the challenges of a wholesale revision to the PFS, particularly during the national pandemic. ●

Stay Tuned...

