

CMS Proposes 11% Payment Reduction for Radiation Oncology Professional Component Services for 2021, More Moderate Reductions in Technical Component Payments

On August 4, 2020, CMS proposed a reduction of almost 11% in the Medicare conversion factor that is used to “convert” relative value units (RVUs) into payment rates under the Physician Fee Schedule (PFS). While Medicare payment for Radiation Oncology Professional Component (PC) services would be slashed by approximately 11% as a result of the conversion factor decrease, Medicare payment reductions for Radiation Oncology technical component services would be buffered by increases in RVUs, as indicated on the accompanying spreadsheet. Payment for most 3-D conformal treatment delivery would be reduced by an estimated 4-5%, and payment for IMRT treatment delivery would be reduced by only an estimated 1% under the 2021 PFS Proposed Rule.

The proposed reduction in the conversion factor is primarily intended to counterbalance proposed increases in Medicare payment for Evaluation and Management (E&M) office/outpatient visits. According to the AMA, the drastic 11% reduction in the Medicare conversion factor is necessitated by proposed additional spending of \$10.2 billion, an estimated \$8.9 billion of which is attributable to changes in coding and increases in Medicare payment for Evaluation E&M office/outpatient visits. Under the governing law, PFS adjustments are required to be budget neutral, and the unprecedented 11% reduction in the conversion factor proposed by CMS is intended to compensate for the E&M and other payment increases.

The Regulatory Impact analysis performed by CMS suggests that the proposed changes for 2021 will have very different impacts on various specialties. CMS projects that the overall impact of the 2021 PFS Proposed Rule on radiation oncology/radiation oncology centers will be (-6%) –in the same range as many other medical and surgical specialties. Based on CMS’ analysis, if the proposed rule is finalized without change, the biggest winners will be Endocrinology (+17%); Rheumatology (+16%); Hematology/Oncology (+14%); and Family Practice (+13%).

A number of professional associations, including AFROC, are participating in an initiative urging Congress to waive the budget neutrality requirements that necessitate the proposed reduction in the Physician Fee Schedule conversion factor, in light of the severe impact that COVID-19 has had on physicians and surgeons throughout the country.

In addition to the conversion factor reduction, the 2021 PFS Proposed Rule also includes discussion of a number of other issues of interest to AFROC members, including:

- The proposed revaluation of CPT code 77401 (*Radiation treatment delivery, superficial and/or ortho voltage, per day*); and
- A proposal to continue contractor pricing for proton beam treatment delivery (CPT codes 77520, 77522, 77523, and 77525); and
- A proposal under which telehealth coverage for radiation treatment management would be discontinued at the end of the Public Health Emergency, rather than continued through the end of 2021, as is the case for a number of other services.

Significantly, too, while the PFS Proposed Rule does not finalize the Radiation Oncology Model, it does indicate that CMS “anticipates that [this Model] will be finalized in 2021.” If finalized, the Radiation Oncology Model will be treated as an Advanced Alternative Payment Model for MIPS purposes.

AFROC will be filing comments on the 2021 PFS Proposed Rule, objecting to the proposed payment reductions affecting AFROC members. If you have any questions, please do not hesitate to contact AFROC’s Washington counsel, Diane Millman (Diane.Millman@PowersLaw.com).

;