

CMS-Overview of 2022 Physician Fee Schedule Final Rule

November 22, 2021

CMS has finalized 2022 payments and policies under the Medicare Physician Fee Schedule (MPFS). The rule includes updates to payment rates for physicians and other healthcare professionals for calendar year (CY) 2022; expands the use of telehealth for mental health; clarifies policies related to split (shared) visits, critical care services, and teaching physicians; encourages growth in the diabetes prevention program; among many other provisions.

The **final rule** released Nov. 2, will be effective Jan. 1, 2022. These are the key takeaways from the CY 2022 MPFS final rule.

Rate-setting Revamped, Conversion Factor Reduced

The final rule outlines a series of standard technical proposals CMS is implementing as part of CY 2022 rate setting. On the downside, the agency set the 2022 MPFS conversion factor (CF) at \$33.59. This represents a decrease of \$1.30 from the 2021 CF of \$34.89, reducing Medicare payment rates by 3.7 percent. This negative adjustment is largely a result of the expiration of a 3.75 percent increase to the CF at the end of CY 2021, which Congress approved through pandemic-related legislation. Also contributing to the reduction is the budget neutrality adjustment to account for changes in relative value units (RVUs).

Final Rule Extends and Expands Telehealth

In the rule, CMS permits certain services added to the Medicare telehealth list during the COVID-19 public health emergency (PHE) to remain on the list until Dec. 31, 2023. This provides additional time to collect data to determine whether services should be permanently added to the telehealth list following the PHE.

In line with legislation enacted last year, the agency is removing geographic barriers when it comes to using telehealth for behavioral healthcare. This enables patients to access telehealth services in their homes versus a qualifying healthcare site for mental health disorders.

CMS-Overview of 2022 Physician Fee Schedule Final Rule

Cont'd

CMS is also allowing reimbursement for certain mental and behavioral health services — counseling and therapy services, including treatment of substance use disorders — provided to patients via audio-only telephone calls. But audio-only telehealth can only be used if the patient is not capable of utilizing two-way audio/video technology. These changes also apply to rural health clinics and federally qualified health centers, which means they can receive payment for mental health services provided by telehealth, including audio-only technology, for the first time outside of the COVID-19 PHE.

Encouraging Proven Vaccines to Protect Against Preventable Illness

Another top priority for CMS is promoting public health through increasing vaccination uptake. The final rule will nearly double Medicare Part B payment rates for administering influenza, pneumococcal, and hepatitis B vaccines, from roughly \$17 to \$30. In addition, the agency will continue to pay \$40 per dose for administration of the COVID-19 vaccines through the end of the calendar year in which the ongoing PHE ends.

Medicare reimbursement rates for in-home administration of COVID-19 vaccines will be \$35.50 through the end of the PHE and \$450 for administration of COVID-19 monoclonal antibody treatments in healthcare settings. The rate for in-home administration of monoclonal antibodies will be \$750.

Other Major Actions in the 2022 MPFS Final Rule

In the new rule, CMS refines its longstanding policy on split evaluation and management (E/M) visits to better reflect evolving physician practices. Several modifications were made to policies for the following:

- ⇒ Split (shared) E/M visits
- ⇒ Critical care services
- ⇒ Services furnished by teaching physicians with residents

Promoting Growth in Medicare Diabetes Prevention Program

CMS-Overview of 2022 Physician Fee Schedule Final Rule

Cont'd

CMS is improving the Medicare Diabetes Prevention Program (MDDP) expanded model, in which local suppliers provide structured, coach-led sessions in community and healthcare settings using a Centers for Disease Control and Prevention-approved curriculum to provide training in dietary changes, increasing physical activity, and weight-loss strategies.

The agency is also waiving the Medicare enrollment fee for all organizations that apply to enroll as an MDDP supplier on or after Jan. 1, 2022. CMS has been waiving this fee for new suppliers during the COVID-19 PHE, which has led to increased supplier enrollment. Other changes include shortening the model services period to one year instead of two years and payment restructuring, so suppliers receive larger payments for participants who reach milestones for attendance.

Modifying Billing for Physician Assistant Services

CMS is implementing a recent statutory change that authorizes Medicare to make direct payments to Physician Assistants (PAs) for professional services they furnish under Part B. For the first time, beginning Jan. 1, 2022, PAs will be able to bill Medicare directly.

Postponing AUC Payment Penalty Phase

In the rule, CMS delays the Appropriate Use Criteria (AUC) program penalty phase, considering the impact that the PHE has had on providers and patients. The program's payment penalty will initiate on Jan. 1, 2023, or the January first that follows the declared end of the COVID-19 PHE, whichever is later, instead of Jan. 1, 2022.