CMS' Planned Changes in Payment Policies Will Lead to Drastic Cuts for Surgeons

As physicians continue to care for patients on the frontlines of the COVID-19 pandemic, cuts to physician payment for surgical and maternity services are looming. Finalized policies from the Centers for Medicare & Medicaid Services (CMS) will have drastic consequences for Medicare patients seeking surgical services at a time when physician practices are struggling to stay afloat. These policies also conflict with current law. Without congressional intervention, these policies will result in significant cuts to physician payment for most surgical services delivered to Medicare patients, destabilize health system financing, and drastically diminish the opportunity for hospital and physician offices to recover financially from COVID-19.

The surgical associations listed below ask Congress to:

Waive Medicare's budget neutrality requirements — as stipulated in Section 1848(c)(2) of the Social Security Act — for the finalized evaluation and management (E/M) code policies which go into effect on January 1, 2021. Congress should also require CMS to apply the increased E/M adjustment to 10- and 90-day and maternity global code values.

E/M Global Code Policy Changes

In the Calendar Year (CY) 2020 Medicare Physician Fee Schedule (PFS) final rule published in November 2019, CMS increased the payment levels for stand-alone office and outpatient E/M codes. However, CMS did not apply the payment adjustment to the corresponding E/M portion of the global codes. Arbitrarily adjusting some E/M codes but not others conflicts with the Omnibus Budget Reconciliation Act (OBRA) of 1989(P.L. 101-239), which prohibits Medicare from paying physicians differently for the same work. Failing to adjust the E/M portion of the global codes is tantamount to paying surgeons less than physicians in other specialties, in contravention of the law.

Add-on Code Policy Changes

In 2018, CMS proposed to restructure the coding system for office and outpatient E/M visits to reduce documentation burden. Because certain specialties would experience payment cuts, due to the proposed collapse of the payment levels, CMS proposed add-on codes to provide an additional payment — specifically for primary care and certain specialty visits — to minimize payment cuts associated with these code changes. However, CMS did not move forward with the single payment proposal and will instead retain the multiple levels of E/M codes. Nevertheless, CMS is still planning to adopt a new add-on code (GPC1X), even though the agency's justification for including an add-on code in the new E/M approach no longer exists. Now, instead of correcting a system that would have resulted in unfair payment reductions, the agency is creating a new coding scheme that inappropriately discriminates among physician specialties.

Compounding Effect of E/M Global Code Policy and Add-on Code

The combined policies proposed by CMS to not apply a proportionate increase to the E/M component of global codes and moving forward with the unjustified add-on code will have a devastating effect on a significant portion of specialty care due to the statutory requirements for budget neutrality under the Medicare Physician Fee Schedule. All of these changes will be occurring at a time when many physicians are struggling to keep their employees on payroll and their practices viable. Physicians and patients across the country have canceled or postponed all elective procedures, and case volumes and revenues have plummeted as a result. Like many other small businesses, physician practices will have to pay back much of the financial relief they received and will need to make additional challenging decisions to preserve their long-term financial health and continue caring for patients.

American Academy of Ophthalmology
American Association of Neurological Surgeons
American Association of Orthopaedic Surgeons
American College of Obstetricians and Gynecologists
American College of Osteopathic Surgeons
American College of Surgeons
American Society for Metabolic and Bariatric Surgery
American Society for Surgery of the Hand
American Society of Anesthesiologists
American Society of Breast Surgeons
American Society of Cataract and Refractive Surgery
American Society of Colon and Rectal Surgeons
American Society of Plastic Surgeons
American Society of Retina Specialists
American Urogynecologic Society
American Urological Association
Congress of Neurological Surgeons
Society for Vascular Surgery
Society of American Gastrointestinal and Endoscopic Surgeons
Society of Gynecologic Oncology
Society of Thoracic Surgeons

Impact Chart

Specialty	Projected 2021 Medicare Payment
Cardiac Surgery	-7.01%
Thoracic Surgery	-6.76%
Ophthalmology	-6.57%
Vascular Surgery	-6.43%
Neurosurgery	-6.05%
Plastic and Reconstructive Surgery	-6.04%
General Surgery	-5.67%
Colon Rectal Surgery	-5.43%
Surgical Oncology	-4.63%
Maxillofacial Surgery	-4.43%
Orthopaedic Surgery	-3.88%
Hand Surgery	-3.80%
Anesthesiology	-2.91%
Gynecologic Oncology	-2.06%

Note: While this policy will negatively impact obstetrician-gynecologists, Obstetrics and Gynecology is not listed in this table because the Medicare impact estimates do not accurately represent the obstetrician-gynecology patient population or case-mix.