

Summary of New CMS 2021 Physician Fee Schedule

The Centers for Medicare and Medicaid Services (CMS) recently published the final calendar year (CY) 2021 updates for the Medicare Physician Fee Schedule ([final rule](#), [Physician Fee Schedule fact sheet](#)), finalizing the expansion of certain Medicare telehealth services and evaluation and management (E/M) payment redistribution.

Background. Since 1992, CMS has used the Physician Fee Schedule to update reimbursement for physician and supplier services within the Medicare program annually. This year's fee schedule also makes some temporary policies adopted for the COVID-19 pandemic permanent.

The National Council [submitted comments](#) to CMS in October 2020 regarding the CY2021 Physician Fee Schedule and offered support for many of the provisions that were later finalized. The National Council applauds CMS' efforts to expand a number of telehealth flexibilities to providers and patients and significantly increase access to naloxone.

Specifically, the final rule:

1. Adds 60+ services to the Medicare telehealth list to be covered beyond the end of the public health emergency (PHE)
2. Redistributes physician pay as a result of the budget neutrality requirements linked to an increase in pay for E/M visits
3. Strongly encourages the adoption of electronic prescribing of controlled substances (EPCS)

What's next? The agency is waiving the 60-day delayed effective date requirement for this rule. The bulk of the rule will be effective on January 1, 2021.

Major provisions of the finalized rule include:

Telehealth — CMS will permanently reimburse over 60 of the 144 telehealth services that were added during the COVID-19 pandemic, including:

- Group psychotherapy
- Psychological and neuropsychological testing
- Home visits for the evaluation and management of established patients (in the case where the law allows telehealth services in the patient's home)
- Cognitive assessment and care planning services
- 15-minute prolonged services for E/M services beyond the maximum total time

CMS finalized the creation of 'category 3' for the telehealth services list, which describes services available on a temporary basis. The rule clarifies that licensed clinical social workers and clinical psychologists can use online assessment and management services, virtual check-ins, and remote evaluation. In addition, CMS will commission a study of the telehealth flexibilities created during the pandemic, including remote supervision and remote monitoring.

E/M Updates and Impact — CMS increased payment for E/M visits while reducing pay for other services due to budget neutrality requirements. Clinical psychology, clinical social work, and psychiatry received a 1% increase, net-zero payment change, and a 7% increase, respectively.¹ CMS noted that these E/M payment increases were informed by recommendations to recognize the time clinicians devote to care coordination, especially for patients with chronic conditions.

Electronic Prescribing of Controlled Substances (EPCS) — The final rule implements Section 2003 of the [SUPPORT Act](#), which requires the prescribing of certain controlled substances under Medicare Part D to be done electronically. The provision will take effect on January 1, 2021, and the compliance deadline for prescribers is January 1, 2022. CMS states that it “strongly encourage[s] prescribers to implement EPCS as soon as possible” and will continue to develop its compliance and exceptions policies based on stakeholder feedback.

Substance Use Disorder Payment Updates — CMS finalized several updates to the Medicare Part B benefit category for Opioid Use Disorder (OUD) treatment services furnished by opioid treatment programs (OTPs), as established on January 1, 2020, by the SUPPORT Act. CMS implemented coverage requirements and established new codes describing the bundled payments for episodes of care for the treatment of OUD furnished by OTPs. Additionally, the agency finalized a proposal to extend the definition of OUD treatment services to include opioid antagonist medications, such as naloxone, that are approved by the FDA for the emergency treatment of opioid overdose. Further, for CY 2021, CMS finalized an add-on code to cover the cost of nasal naloxone alongside frequency limits on naloxone payments, with exceptions for instances in which an overdose is occurring. CMS also finalized a proposal to allow periodic assessments by OTPs through telehealth.

Communication Technology-based Services (CTBS) — During the pandemic, CMS made temporary changes allowing separate payment for several services that use telecommunications technology but are not considered Medicare telehealth services. These communication technology-based services (CTBS) include certain kinds of remote patient monitoring (RPM), a virtual check-in, and remote asynchronous service. CMS decided not to extend certain flexibilities beyond the PHE; it will require an established patient-provider relationship for RPM and will require RPM for at least 16 days in a 30-day period. CMS clarified that only providers who are eligible to furnish E/M services may bill RPM services.

¹ " Final Policy, Payment, and Quality Provisions Changes to the Medicare Physician Fee Schedule for Calendar Year 2021." (December 1, 2020) p. 1660. Available from: <https://www.cms.gov/files/document/12120-pfs-final-rule.pdf>.