



TO: APTA Component Leaders  
FROM: Justin Elliott and Kara Gainer  
DATE: December 1, 2020  
RE: Release of CY 2021 Physician Fee Schedule final rule

On December 1, 2020, CMS issued its [2021 Medicare Physician Fee Schedule final rule](#). Below is a high-level overview of the estimated combined impact to PT (and OT and SLP) reimbursement in 2021. As we expected, this final rule is very similar to the proposed rule.

### **Estimated Impact to PT/OT/SLP Reimbursement in 2021**

In the 2021 PFS final rule, CMS advances the policy discussed in the 2021 PFS proposed rule to increase the values of the Current Procedural Terminology (CPT®) office/outpatient evaluation and management codes and adopt the add-on code (HCPCS code G2211) beginning January 1, 2021. Despite APTA's persistent advocacy both with HHS/CMS and Congress, to accommodate these increases and maintain budget neutrality, CMS is adopting reimbursement reductions for physical therapy and dozens of other provider specialties beginning January 1, 2021 under the Medicare Physician Fee Schedule.

Within the final rule, CMS is increasing the work RVUs for physical therapy evaluations (97161-97163), from 1.2 to 1.54 and the physical therapy re-evaluation (97164) from 0.75 to 0.96 (Table 25). **However, as illustrated in Table 106 in the final rule, the combined impact of the reduction slated for physical therapy, occupational therapy, and speech-language pathology services in 2021 is -9%.** The reduction is being implemented through application of the budget neutrality adjustment to the conversion factor to satisfy the budget neutrality requirements of 1848(c)(2)(B)(ii) of the Social Security Act. The conversion factor for CY 2021 is \$32.4085, a reduction of \$3.6811 from the CY 2020 conversion factor (Table 104).

In the final rule, in response to commenters' concerns with the budget neutrality adjustments, CMS states: "While we understand the concerns articulated by commenters, our approach to making the required budget neutrality adjustment to account for changes in expenditures resulting from changes to RVUs, including those for the office/outpatient E/M code set and other similar services, is consistent with the approach we have applied to achieve budget neutrality in the past in accordance with the requirements of the statute. The statutory waiver authorities available to the Secretary following a public health emergency declaration, which are largely established in section 1135 of the Act, do not include waiver authority that would allow for implementation of changes to the PFS outside of the budget neutrality requirements in statute. The changes we make to RVUs are directed at setting appropriate resource-based relative values in accordance with section 1848 of the Act, and any increases or decreases in estimated payments associated with our finalized policies are purely a result of our longstanding budget neutrality process." (Page 1664).

### **Next Steps**

APTA is [strongly advocating for passage](#) of  *Holding Providers Harmless from Medicare Cuts During COVID-19 Act of 2020* (H.R. 8702) before the end of the year. The bill would keep Medicare payment levels stable for the next two years, sparing physical therapy and 36 other professions from cuts designed to offset increases to payment for office/outpatient evaluations and management services. Since the spring, APTA has been working with a broad coalition of health care provider groups that includes the American Medical Association, the American College of Surgeons, and 53 other groups on legislation to address the payment cuts under the fee schedule. With more than [300 meetings](#) with members and staff, and more than 100,000 grassroots communications from APTA members and allies,



our advocacy continues with a virtual rally set for Thursday, December 3<sup>rd</sup> during which APTA and its members will continue to urge Congress to enact H.R. 8702 prior to the end of the year.