



Implications of the Consolidated Appropriations Act, 2023 on Medicare Physician Fee Schedule and Work RVUs



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Executive Summary

Prospect Medical commissioned Wakely Consulting Group (“Wakely”) to analyze the impact of the calendar year (CY) 2023 Medicare Physician Fee Schedule (MPFS) on physician providers by specialty type. This report summarizes key findings from those analyses.

The Consolidated Appropriations Act, 2023 (the 2023 CAA) was passed and signed into law December 29, 2022. Below is a summary of important provisions that impact physicians in 2023 and beyond, together with Wakely’s analysis of the CY 2023 rate changes using national Medicare Fee-for-Service (FFS) data and the Wakely Medicare Repricing Analysis Tool (WMRAT). The new conversion factor represents a 2.1% reduction from 2022 with average Medicare reimbursement for physicians decreasing approximately 0.5% from the prior year.

Key observations from the CAA and our analysis include:

- The conversion factor decreased by 2.1% from \$34.6062 in 2022 to \$33.8872 in 2023. Prior to the 2023 CAA legislation, the published conversion factor from the Final Rule¹ represented a 4.42% decrease.
- Relative Value Unit (RVU) factors are updated annually, and the effects can vary by provider specialty. Work RVUs generally held constant with 98.9% of codes having no change. Practice Expense RVUs (based on the Non-Facility Practice Expense RVU) had more changes with 66.6% of codes having an RVU increase and 27% with an RVU decrease. Malpractice RVUs had the most dramatic count of changes with 99.9% of codes revised.

In 2023, the average Medicare reimbursement for physicians will decrease by approximately 0.5%.

¹ <https://www.govinfo.gov/content/pkg/FR-2022-11-18/pdf/2022-23873.pdf>

- The Statutory Pay-As-You-Go (PAYGO) Act of 2010 established a PAYGO sequestration of up to 4% that is triggered when legislation is passed with spending that increases the federal budget deficit. In March 2021, the American Rescue Plan Act (ARPA) was passed with COVID relief spending that triggered a 4% PAYGO cut originally scheduled for 2022. While this cut was temporarily delayed in 2022, the CAA further delayed any PAYGO cuts until 2025 at the earliest.

Conversion Factor Decreases by 2.1%

The conversion factor is a simple multiplier applied to the RVUs and GPCI adjustments to determine payment rates to services that are part of the MPFS. Prior to the Medicare Access CHIP Reauthorization Act of 2015 (MACRA), this factor was increased annually by the Sustainable Growth Rate (SGR). MACRA replaced the SGR with a 0% statutory factor update for years 2020 through 2025 with the intent to reward clinicians for value instead of volume by encouraging participation in Alternative Payment Models (APM) and consolidating quality programs into the Merit Based Incentive Payments System (MIPS).

In addition, MACRA includes a budget neutrality requirement that specifies that any payment increase must be offset by reductions elsewhere. This policy has resulted in conversion factor decreases since 2021.

Changes to RVUs in 2021 (described in a subsequent section) resulted in an initial CY 2021 conversion factor of \$32.41, nearly a 10% reduction from 2020. The Consolidated Appropriations Act of 2021 infused billions into physician funding and updated the conversion factor to \$34.8931, mitigating the decrease to 3.3% that year. In 2022, Congress continued to provide supplemental increases to physician funding with a 3% temporary increase, again dampening the required conversion factor decrease.

In July 2022, CMS proposed a conversion factor of \$33.0775 for CY 2023, a 4.42% reduction from the \$34.6062 conversion factor for CY 2022. The change is driven by the expiration of the 3% increase in payments provided by Congress for 2022, the 0% statutory factor update, and the required RVU-driven budget neutrality adjustment. The final rule included only a slight modification setting it at \$33.0607.

The 2023 CAA, like the Coronavirus Response and Relief Supplemental Appropriations Act of 2021 and Protecting Medicare and American Farmers from Sequester Cuts Act of 2021 before it, addresses the expiration to the temporary increase in payment by extending a portion of it (2.5% in 2023 and 1.25% in 2024). This results in a CY 2023 conversion factor of \$33.8872, a 2.1% reduction from CY 2022.

Table 1 below summarizes the mathematical build-up of the CY 2023 Conversion Factor.

Table 1 – CY 2023 Conversion Factor Build-up

Step in Build-Up	Value	Description
CY 2022 Conversion Factor	\$34.6062	(a)
Expiration of the Temporary Supplemental Increase (3% for CY 2022)	0.970874	(b) = 1 / 1.03
Statutory Update Factor (no update)	1.0000	(c)
CY 2023 RVU Budget Neutrality Adjustment Factor Mandated by MACRA	0.984	(d)
Proposed CY 2023 Conversion Factor	\$33.0607	(e) = (a) x (b) x (c) x (d)
CAA Reinstatement of Temporary Supplemental Increase (2.5% for CY 2023)	1.025	(f)
Resulting CY 2023 Conversion Factor	\$33.8872	(g) = (e) x (f)
Conversion Factor Change	-2.1%	(h) = (g) / (a) - 1

Geographic Changes

As a requirement, CMS must update the Geographic Practice Cost Index (GPCI) values every three years and they were due for update in CY 2023. It is for this reason that there are a number of revisions to GPCI amounts. The largest adjustments affect the malpractice GPCIs with some regions of the US experiencing double-digit impacts.

GPCI factors are used to address geographic variation by locality for Medicare physician reimbursement. Wakely reviewed the GPCIs for CY 2023 and found that the largest changes occurred in the malpractice expense² (ME) factors while physician work and practice expense GPCIs did not experience very notable impacts.

Changes for ME GPCIs were found to vary drastically by region in direction and amplitude. The change to ME GPCIs range between a 22.5% reduction (Queens, New York) to 36.2% increase (Beaumont, Texas) when compared with the current calendar year while some other localities are expected to see little change. These changes in GPCI factors may have significant impacts to specific provider specialty groups in particular locations but largely these changes had minimal impact to most payment rates.

Relative Value Unit Changes

RVUs are used to establish relative payment amounts across a variety of services and are updated annually. MPFS uses published RVUs by procedure code, including modifiers, in combination with the conversion factor and GPCIs to determine reimbursements. CMS has published the CY 2023 physician work, facility and non-facility practice expense, and malpractice expense RVUs for CY 2023.

² This is a measurement of the geographic difference in physician malpractice insurance premiums.

In CY 2021, CMS revised documentation requirements and increased the work RVUs for many of Office/Outpatient (O/O) Evaluation and Management (E/M) procedure codes in order to reduce burden and increase payments to Primary Care Providers (PCPs). Given the volume of care, the increase triggered the budget neutrality provision of MACRA resulting in a large decrease to the conversion factor. In 2022, CMS continued that directive with increases for complex care management and further extended similar increases to inpatient and skilled nursing E/M codes in 2023. Although some O/O E/M codes had revisions in 2023, the changes were small and the work RVUs for the most commonly billed E&M codes (99213-99215) were unchanged. The subsequent changes in 2022 and 2023 were much less impactful than the original overhaul in 2021.

More significant CY 2023 RVU changes were observed in the Practice Expense (PE) and Malpractice (MP) RVUs. However, it is the combination of the 3 RVUs after adjustment by their respective GPCIs and then multiplied by the conversion factor that drives reimbursement.

Wakely used the 2021 Medicare 5% Sample Limited Data Sets (LDS) to analyze the impact of RVU, GPCI and Conversion Factor changes that could result from both the CY 2022 and the CY 2023 MPFS. We filtered the data to only include FFS claims and removed claims associated with Ambulatory Surgery Centers (ASC).

We repriced all claims in the 2021 LDS carrier file using WMRAT along with Medicare fee schedules for 2022 and 2023. Facility and non-facility rates were applied based on the fee schedule's standard place of service groupings. Multiple Procedure Payment Reduction (MPPR) adjustments were excluded to allow comparison to Rule versions that do not have the level of detail needed to perform MPPR adjustments. We limited our analysis to claims repriced under MPFS that had procedure codes that appeared in both the CY 2022 MPFS and CY 2023 MPFS. We did not reprice claims falling under the clinical laboratory, durable medical equipment, anesthesia, ambulance, or Part B Rx fee schedules.

Table 2 is a summary of the physician payment changes from 2022 to 2023 for the top 30 provider specialties sorted by allowed dollars. For a more detailed summary including all provider specialties, see Appendix A.

Table 2: Summary of MPFS Rate Changes from 2022 to 2023 by Provider Specialty³

Provider Specialty Code	Provider Specialty Description	2021 LDS Allowed Amount	2022 Final Unit Cost	2023 Final Unit Cost	2023/2022 Final Change
11	Internal medicine	\$415,602,417	\$100.08	\$101.89	1.80%
08	Family practice	\$273,556,556	\$96.83	\$96.77	-0.10%
18	Ophthalmology	\$242,196,240	\$115.25	\$114.21	-0.90%

³ Note that the mix of place of service (facility/non-facility), mix of services, and mix in geographic area in the data may impact results in Table 2.

Provider Specialty Code	Provider Specialty Description	2021 LDS Allowed Amount	2022 Final Unit Cost	2023 Final Unit Cost	2023/2022 Final Change
30	Diagnostic radiology	\$238,366,977	\$53.16	\$52.09	-2.00%
06	Cardiology	\$225,856,501	\$91.14	\$89.62	-1.70%
50	Nurse practitioner	\$217,711,865	\$75.53	\$76.90	1.80%
07	Dermatology	\$175,702,885	\$94.05	\$93.15	-1.00%
65	Physical therapist	\$174,631,720	\$32.86	\$32.46	-1.20%
20	Orthopedic surgery	\$170,050,614	\$155.04	\$153.15	-1.20%
93	Emergency medicine	\$126,727,047	\$123.47	\$121.74	-1.40%
97	Physician assistant	\$125,770,951	\$74.65	\$74.47	-0.20%
39	Nephrology	\$100,667,537	\$147.23	\$147.99	0.50%
48	Podiatry	\$94,516,637	\$76.63	\$75.49	-1.50%
34	Urology	\$87,126,321	\$127.72	\$125.12	-2.00%
92	Radiation oncology	\$83,164,278	\$151.32	\$149.63	-1.10%
02	General surgery	\$79,764,774	\$192.06	\$189.67	-1.20%
10	Gastroenterology	\$76,892,608	\$136.14	\$134.47	-1.20%
29	Pulmonary disease	\$70,065,914	\$102.37	\$103.47	1.10%
13	Neurology	\$69,037,083	\$124.88	\$123.42	-1.20%
83	Hematology/oncology	\$63,199,592	\$89.61	\$88.34	-1.40%
22	Pathology	\$59,172,817	\$47.86	\$47.25	-1.30%
04	Otolaryngology	\$58,055,232	\$90.93	\$89.64	-1.40%
77	Vascular surgery	\$56,568,584	\$256.75	\$247.07	-3.80%
C6	Hospitalist	\$54,355,334	\$104.06	\$110.92	6.60%
C3	Interventional Cardiology	\$54,069,566	\$110.93	\$108.81	-1.90%
25	Physical medicine and rehabilitation	\$53,572,670	\$97.66	\$99.72	2.10%
26	Psychiatry	\$45,426,461	\$95.41	\$96.83	1.50%
68	Clinical psychologist	\$37,518,582	\$107.82	\$104.90	-2.70%
14	Neurosurgery	\$36,346,680	\$321.52	\$318.05	-1.10%
21	Clinical pathology	\$35,491,851	\$86.18	\$82.99	-3.70%

According to Wakely's analysis, many clinicians received a decrease in Medicare payment amounts for 2023 with a few exceptions including Internal Medicine, Nurse Practitioners, and Hospitalists, consistent with the goal of improving PCP reimbursement. On average, physician reimbursements decreased by 0.5% with impacts varying widely by provider specialty which is shown in Appendix A. Decreases in payment for some of the major provider specialties range from around 4% for Interventional Radiology, Vascular Surgery, and Clinical Pathology to less than 1% for Family Practice, Physician Assistants, and Endocrinology.

In addition to provider specialty, using 2021 LDS and WMRAT to analyze changes to payments by specific procedures reveals some notable changes for 2023. As part of the E/M revisions, which were initiated in CY 2021 for O/O settings, procedure codes billed by physicians significantly impacted by the Public Health Emergency (PHE) are anticipated to receive increased payments. As shown in Table 3, average payments for procedure codes 99231–99233, 99305–99306, and 99308–99310, which are related to subsequent hospital and nursing facility E/M care, received increases between 4% and 29% in 2023. In a departure from that trend, the reductions to 99304 and 99307 were recommendations from the American Medical Association's Relative Value Update Committee (RUC) to better align with O/O E/M work RVU levels.

Table 3: Summary of MPFS Rate Changes from 2022 to 2023 for Subsequent Hospital and Nursing Facility E/M Procedure Codes

Procedure Code	2021 LDS Allowed Amount	2022 Final Unit Cost	2023 Final Unit Cost	2023/2022 Final Change
99231	\$9,107,008	\$38.17	\$49.04	28.5%
99232	\$129,494,339	\$71.35	\$79.33	11.2%
99233	\$129,000,143	\$103.14	\$120.07	16.4%
99304	\$1,210,579	\$89.99	\$81.52	-9.4%
99305	\$5,154,140	\$128.49	\$133.54	3.9%
99306	\$9,385,492	\$165.31	\$182.74	10.5%
99307	\$3,775,997	\$42.94	\$38.95	-9.3%
99308	\$31,300,104	\$66.25	\$71.56	8.0%
99309	\$39,426,297	\$84.89	\$99.84	17.6%
99310	\$9,816,792	\$122.94	\$141.29	14.9%
99315	\$571,690	\$68.61	\$77.42	12.9%
99316	\$1,647,400	\$96.17	\$122.08	26.9%

The 2023 proposed rule also included a significant revision to the Emergency Department (ED) E/M code 99281. The description was altered such that the presence of a physician or other health care professional is no longer required for a level 1 Emergency Room (ER) visit. Due to this change, this ER procedure received a large payment reduction of over 46% from the prior year. However, level 2 through level 5 ER visits (procedure codes 99282–99285) received comparably minor reductions averaging between 1% and 2% as shown in Table 4.

Table 4: Summary of MPFS Rate Changes from 2022 to 2023 for Emergency Department E/M Procedure Codes

Procedure Code	2021 LDS Allowed Amount	2022 Final Unit Cost	2023 Final Unit Cost	2023/2022 Final Change
99281	\$55,814	\$21.33	\$11.43	-46.4%
99282	\$588,547	\$41.71	\$40.82	-2.1%
99283	\$6,714,679	\$70.85	\$70.03	-1.2%
99284	\$23,596,806	\$120.60	\$118.73	-1.5%
99285	\$80,452,844	\$177.62	\$175.25	-1.3%

For further information on the change in physician payments scheduled for 2023, refer to Appendix B for a detailed assessment by bodily system and Appendix C for a summary by top procedure codes.

Disclosures and Limitations

We have relied on published data from CMS for the Medicare 5% Sample Limited Data Set and for the CY 2022 Final and CY 2023 Final MPFS. We have reviewed the data for reasonableness but have not performed any independent audit or otherwise verified the accuracy of the data/information. Wakely did not make any adjustments or changes to published data. If the underlying information is incomplete or inaccurate, our estimates may be impacted, potentially significantly.

The assumptions and resulting estimates included in this analysis are inherently uncertain. Users of the results should be qualified to use it and understand the results and the inherent uncertainty.

No trends or completion factors have been applied to the allowed or repriced amounts, and we calculated repriced amounts gross sequestration (i.e., no adjustments to net it out). In addition, we made no adjustment for MACRA/MIPS in our calculations. Finally, some HCPCS codes are not present in the Physician Fee Schedule National Payment File due to not being covered by Medicare but have RVUs and GPCIs included in the Medicare Physician Fee Schedule. For these codes, we utilized the RVUs and GPCIs to calculate a repriced amount.

This paper and the analysis contained herein are based on our interpretation and understanding of CMS' published guidance as of May 31, 2023. Results may vary and federal statutory or regulatory changes may result in further changes.

Wakely received financial compensation from Prospect Medical to support the analyses summarized herein.

Wakely Medicare Repricing Analysis Tool

At Wakely, we use our Wakely Medicare Repricing Analysis Tool (WMRAT) to assist clients in repricing medical claims to Medicare FFS rates. Comparing medical claim allowed amounts to Medicare FFS rates is a common practice across the industry, as this analysis provides a useful benchmark for payers to better understand their data and payment practices and for providers to more easily analyze how they are being reimbursed. WMRAT offers a common language for comparing payment rates across multiple lines of business, categories of service, geographic locations, and providers.

Medicare FFS payments are based on a complex set of rules that change frequently and the logic and results can be nuanced. Whether you are interested in creating pricing assumptions, negotiating more competitive contracts, validating internal payment procedures, or setting up new capitation arrangements, Wakely's Medicare Repricing team can work quickly to assist you with understanding how your medical claims payments compare to Medicare FFS rates and how Medicare fee schedules from different years impact your data. Wakely has Medicare Repricing capabilities for payment systems such as the Inpatient Prospective Payment System (IPPS), Outpatient Prospective Payment System (OPPS), Physician and other Professional fee schedules, Federally Qualified Health Centers (FQHC), Ambulatory Surgical Centers (ASC), and more.

For more information about Wakely's capabilities in this area, please contact Julie Steiner at julie.steiner@wakely.com, Jacob Schiferl at jacob.schiferl@wakely.com, or Emily Janke at emily.janke@wakely.com with any questions or to follow up on any of the concepts presented here, or reach out to the WMRAT team for a demo at WMRATSupport@wakely.com.⁴

⁴ For more information, please visit our website at: <https://www.wakely.com/services/product/wakely-medicare-repricing-analysis-tool-wmratt>

OUR STORY

Five decades. Wakely began in 1969 and eventually evolved into several successful divisions. In 1999, the actuarial arm became the current-day Wakely Consulting Group, LLC, which specializes in providing actuarial expertise in the healthcare industry. Today, there are few healthcare topics our actuaries cannot tackle.

Wakely is now a subsidiary of Health Management Associates. HMA is an independent, national research and consulting firm specializing in publicly funded healthcare and human services policy, programs, financing, and evaluation. We serve government, public and private providers, health systems, health plans, community-based organizations, institutional investors, foundations, and associations. Every client matters. Every client gets our best. With more than 20 offices and over 400 multidisciplinary consultants coast to coast, our expertise, our services, and our team are always within client reach.

Broad healthcare knowledge. Wakely is experienced in all facets of the healthcare industry, from carriers to providers to governmental agencies. Our employees excel at providing solutions to parties across the spectrum.

Your advocate. Our actuarial experts and policy analysts continually monitor and analyze potential changes to inform our clients' strategies – and propel their success.

Our Vision: To partner with clients to drive business growth, accelerate success, and propel the health care industry forward.

Our Mission: We empower our unique team to serve as trusted advisors with a foundation of robust data, advanced analytics, and a comprehensive understanding of the health care industry.

Going Beyond the Numbers

Appendix A

**Table A - Detailed Summary of MPFS Rate
Changes from 2022 to 2023 by Provider Specialty⁵**

Provider Specialty Code	Provider Specialty Description	2021 LDS Allowed Amount	2022 Final Unit Cost	2023 Final Unit Cost	2023/2022 Final Change
11	Internal medicine	\$415,602,417	\$100.08	\$101.89	1.8%
08	Family practice	\$273,556,556	\$96.83	\$96.77	-0.1%
18	Ophthalmology	\$242,196,240	\$115.25	\$114.21	-0.9%
30	Diagnostic radiology	\$238,366,977	\$53.16	\$52.09	-2.0%
06	Cardiology	\$225,856,501	\$91.14	\$89.62	-1.7%
50	Nurse practitioner	\$217,711,865	\$75.53	\$76.90	1.8%
07	Dermatology	\$175,702,885	\$94.05	\$93.15	-1.0%
65	Physical therapist	\$174,631,720	\$32.86	\$32.46	-1.2%
20	Orthopedic surgery	\$170,050,614	\$155.04	\$153.15	-1.2%
93	Emergency medicine	\$126,727,047	\$123.47	\$121.74	-1.4%
97	Physician assistant	\$125,770,951	\$74.65	\$74.47	-0.2%
39	Nephrology	\$100,667,537	\$147.23	\$147.99	0.5%
48	Podiatry	\$94,516,637	\$76.63	\$75.49	-1.5%
34	Urology	\$87,126,321	\$127.72	\$125.12	-2.0%
NA	Other	\$83,318,313	\$81.26	\$80.54	-0.9%
92	Radiation oncology	\$83,164,278	\$151.32	\$149.63	-1.1%
02	General surgery	\$79,764,774	\$192.06	\$189.67	-1.2%
10	Gastroenterology	\$76,892,608	\$136.14	\$134.47	-1.2%
29	Pulmonary disease	\$70,065,914	\$102.37	\$103.47	1.1%
13	Neurology	\$69,037,083	\$124.88	\$123.42	-1.2%
83	Hematology/oncology	\$63,199,592	\$89.61	\$88.34	-1.4%
22	Pathology	\$59,172,817	\$47.86	\$47.25	-1.3%
04	Otolaryngology	\$58,055,232	\$90.93	\$89.64	-1.4%
77	Vascular surgery	\$56,568,584	\$256.75	\$247.07	-3.8%

⁵ Table A includes the payment rate impacts by provider specialties in the 2021 LDS data, sorted by allowed dollars. Note that the mix of place of service (facility/non-facility), mix of services, and mix in geographic area in the data may impact results in Table A.

Provider Specialty Code	Provider Specialty Description	2021 LDS Allowed Amount	2022 Final Unit Cost	2023 Final Unit Cost	2023/2022 Final Change
C6	Hospitalist	\$54,355,334	\$104.06	\$110.92	6.6%
C3	Interventional Cardiology	\$54,069,566	\$110.93	\$108.81	-1.9%
25	Physical medicine and rehabilitation	\$53,572,670	\$97.66	\$99.72	2.1%
26	Psychiatry	\$45,426,461	\$95.41	\$96.83	1.5%
68	Clinical psychologist	\$37,518,582	\$107.82	\$104.90	-2.7%
14	Neurosurgery	\$36,346,680	\$321.52	\$318.05	-1.1%
21	Pathologic anatomy, clinical pathology	\$35,491,851	\$86.18	\$82.99	-3.7%
47	Independent Diagnostic Testing Facility (IDTF)	\$34,232,100	\$160.25	\$161.38	0.7%
35	Chiropractic	\$33,203,008	\$37.80	\$37.61	-0.5%
80	Licensed clinical social worker	\$31,542,588	\$88.26	\$85.84	-2.7%
69	Clinical laboratory	\$30,892,551	\$61.96	\$61.56	-0.7%
44	Infectious disease	\$29,691,596	\$98.75	\$102.82	4.1%
05	Anesthesiology	\$28,786,676	\$97.55	\$96.94	-0.6%
66	Rheumatology	\$27,078,304	\$95.47	\$93.57	-2.0%
46	Endocrinology	\$26,496,145	\$111.00	\$110.22	-0.7%
16	Obstetrics/gynecology	\$24,949,819	\$111.89	\$110.16	-1.5%
72	Pain Management	\$24,902,803	\$120.39	\$118.52	-1.6%
94	Interventional radiology	\$24,369,657	\$147.32	\$141.57	-3.9%
90	Medical oncology	\$19,847,131	\$91.94	\$90.53	-1.5%
09	Interventional Pain Management (IPM)	\$19,502,049	\$125.87	\$123.47	-1.9%
81	Critical care (intensivists)	\$17,466,182	\$137.96	\$138.54	0.4%
67	Occupational therapist	\$16,155,536	\$35.10	\$34.60	-1.4%
33	Thoracic surgery	\$15,993,584	\$393.90	\$384.61	-2.4%
24	Plastic and reconstructive surgery	\$15,299,914	\$218.69	\$216.58	-1.0%
01	General practice	\$13,948,540	\$95.17	\$95.29	0.1%
40	Hand surgery	\$12,399,595	\$140.24	\$139.01	-0.9%
03	Allergy/immunology	\$11,517,464	\$17.54	\$17.20	-2.0%
78	Cardiac surgery	\$9,901,605	\$410.69	\$400.72	-2.4%

Provider Specialty Code	Provider Specialty Description	2021 LDS Allowed Amount	2022 Final Unit Cost	2023 Final Unit Cost	2023/2022 Final Change
38	Geriatric medicine	\$8,213,008	\$102.79	\$105.91	3.0%
28	Colorectal surgery	\$7,644,697	\$220.49	\$216.74	-1.7%
23	Peripheral vascular disease, medical or surgical	\$7,170,866	\$106.98	\$105.72	-1.2%
98	Gynecologist/oncologist	\$4,134,527	\$177.48	\$174.97	-1.4%
91	Surgical oncology	\$4,112,377	\$250.52	\$246.63	-1.6%
C7	Advanced Heart Failure & Transplant Cardiology	\$4,069,765	\$86.60	\$87.40	0.9%
63	Portable X-ray supplier	\$3,659,068	\$21.05	\$21.24	0.9%
64	Audiologist (billing independently)	\$3,385,633	\$34.49	\$33.86	-1.8%
15	Obstetrics (osteopaths only)	\$3,309,210	\$66.99	\$65.94	-1.6%
82	Hematology	\$3,293,002	\$100.45	\$100.43	0.0%
17	Hospice and Palliative Care	\$3,240,688	\$114.81	\$116.17	1.2%
C0	Sleep medicine	\$2,868,712	\$134.09	\$132.90	-0.9%
37	Pediatric medicine	\$2,809,601	\$83.59	\$83.43	-0.2%
89	Certified clinical nurse specialist	\$2,747,121	\$83.63	\$84.62	1.2%
36	Nuclear medicine	\$2,640,910	\$82.60	\$80.99	-1.9%
19	Oral surgery (dentists only)	\$2,532,701	\$337.10	\$330.05	-2.1%
12	Osteopathic manipulative therapy	\$2,340,474	\$95.30	\$94.33	-1.0%
74	Radiation Therapy Centers	\$1,816,646	\$201.94	\$198.85	-1.5%
99	Unknown physician specialty	\$1,613,167	\$136.94	\$136.43	-0.4%
				Total	-0.5%

Appendix B

Table B – Detailed Summary of MPFS Rate Changes from 2022 to 2023 by Bodily System⁶

Bodily System	2021 LDS Allowed Amount	2022 Final Unit Cost	2023 Final Unit Cost	2023/2022 Final Change
Evaluation & Management	\$2,003,006,337	\$108.10	\$109.11	0.9%
Medicine	\$773,539,724	\$49.76	\$48.73	-2.1%
Radiology	\$348,879,816	\$57.41	\$56.42	-1.7%
Integumentary System	\$223,245,780	\$90.80	\$89.79	-1.1%
Musculoskeletal System	\$160,356,178	\$245.57	\$242.71	-1.2%
Cardiovascular System	\$141,567,948	\$654.69	\$626.69	-4.3%
HCPCS	\$135,809,820	\$80.19	\$79.67	-0.7%
Other	\$105,656,582	\$163.81	\$162.46	-0.8%
Pathology	\$97,260,055	\$51.95	\$51.45	-1.0%
Digestive System	\$73,275,478	\$253.60	\$248.80	-1.9%
Nervous System	\$69,957,694	\$198.21	\$195.78	-1.2%
Urinary System	\$38,654,712	\$145.27	\$141.68	-2.5%
Respiratory System	\$28,095,229	\$208.10	\$204.37	-1.8%
Female Genital System	\$7,800,775	\$347.25	\$341.93	-1.5%
Auditory System	\$6,081,289	\$65.86	\$65.12	-1.1%
Male Genital System	\$5,791,580	\$403.39	\$379.26	-6.0%
Hemic & Lymphatic Systems	\$3,489,230	\$246.94	\$243.24	-1.5%
Endocrine System	\$1,815,403	\$693.64	\$684.34	-1.3%
			Total	-0.5%

⁶ Table B includes the payment rate impacts by bodily systems in the 2021 LDS data, sorted by allowed dollars. Note that the mix of place of service (facility/non-facility), mix of services, and mix in geographic area in the data may impact results in Table B.

Appendix C

Table C - Detailed Summary of MPFS Rate Changes from 2022 to 2023 by Top Procedure Codes⁷

Procedure Code	2021 LDS Allowed Amount	2023/2022 Final Change
99214	\$586,894,514	-1.1%
99213	\$319,142,863	-1.5%
99232	\$129,494,339	11.2%
99233	\$129,000,143	16.4%
99204	\$94,293,547	-1.4%
99215	\$90,639,213	-1.9%
99223	\$89,933,335	-12.4%
99285	\$80,452,844	-1.3%
97110	\$67,231,017	-1.0%
99291	\$66,676,264	-2.4%
92014	\$60,170,011	-1.1%
G0439	\$57,062,673	-1.8%
99203	\$51,971,652	-1.0%
88305	\$45,994,503	-0.7%
93306	\$40,134,380	-3.1%
66984	\$39,751,192	-0.5%
99309	\$39,426,297	17.6%
90837	\$37,426,625	-2.6%
97530	\$37,099,932	-1.2%
99222	\$33,836,820	-3.6%
99308	\$31,300,104	8.0%
99205	\$29,945,856	-1.7%
97112	\$29,685,598	-2.2%
90960	\$29,576,719	-2.4%
97140	\$28,482,381	-0.9%

⁷ Table C includes the top 25 procedure codes in the 2021 LDS data and their payment rate changes, sorted by allowed dollars. Note that the mix of place of service (facility/non-facility) and mix in geographic area in the data may impact results in Table C.