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CMS Releases CY 2022 Medicare Physician Fee Schedule

(White Paper update December 2021)

Update as of December 10, 2021

Wakely initially published this white paper on November 19, 2021, and since that time, Congress has passed legislation that impacts the paper's contents. This update serves as a brief addendum to document recent changes that impact 2022 Medicare physician reimbursement. ***The update to this white paper is limited to this section of the paper (highlighted in the blue box on page 1). At this time, we have not made any edits to the remainder of the white paper.*** *Presently, the Centers for Medicare & Medicaid Services (CMS) has not yet released new information in order to perform a detailed analysis of the effect of the changes.*

President Biden signed the "Protecting Medicare and American Farmers from Sequester Cuts Act" into law on Friday, December 10, 2021. This bill provides the following updates, all acting to mitigate previously-communicated decreases to reimbursement levels.

- **Resumption of the sequester is delayed until April 2022. At that time a reduced sequester of 1% will take effect until July of 2022, when the full sequester of 2% will resume.**
- **The PAYGO effect (a 4% reduction) of the American Rescue Plan Act (ARPA) is delayed until 2023.**
- **The conversion factor will decrease from 2021 to 2022 by approximately 0.75%. The bill eliminated 3% of the 3.75% decrease that was present in the CY 2022 Final Rule.**
- **In addition, modifications to the proposed Medicare Physician Fee Schedule affecting lab were introduced.**

Key Changes and What to Watch For

On November 2, 2021, the Centers for Medicare & Medicaid Services (CMS) finalized the calendar year (CY) 2022 Medicare Physician Fee Schedule (MPFS). This brief summarizes key changes in the fee schedule from CY 2021, along with other payment reductions that physicians could face in 2022. Absent Congressional action, the average 2022 Medicare reimbursement for physicians will decrease by approximately 9.62% from 2021 levels. Wakely will be watching closely in the coming weeks for any action by Congress that impacts Medicare reimbursement.

Some other key observations from our analysis include:

- The conversion factor is decreasing from 2021 to 2022 by 3.75%. This was expected since the 3.75% increase in 2021 provided by the Consolidated Appropriations Act was time-limited for purposes of addressing the public health emergency and set to expire at the end of 2021.
- There is minimal change to the geographic practice cost index (GPCI) factors.
- Relative value units (RVUs) are changing from CY 2021 to CY 2022, but the impacts vary by provider specialty.
    - The CY 2022 Final Rule adjusts RVUs such that payment for specialty physician services decreases more than payment for general practice and primary care services. However, the differences by provider specialty are not as pronounced in the Final Rule as originally presented in the CY 2022 Proposed Rule.
    - Payment amounts decrease for nearly all physicians in 2022 due to the lower conversion factor; however, RVU changes result in a decrease that is higher or lower than the conversion factor change for certain specialties.
- There are other potential reductions to physician payments that are scheduled to go into effect including the return of the 2% sequestration as well as a 4% Pay-As-You-Go (PAYGO) cut.

Absent Congressional action, the average 2022 Medicare reimbursement for physicians will decrease by approximately 9.62% from 2021 levels.

Conversion Factor Decreases by 3.75%

One of the most financially significant changes in the CY 2022 MPFS was an adjustment to the conversion factor. The conversion factor decreased from $34.8931 in CY 2021 to $33.5983 in CY 2022.[1] The decrease impacts reimbursement across all geographies for all physician services reimbursed under MPFS.

The change does not come as a big surprise, given that a 3.75% increase to the conversion factor was built into the CY 2021 reimbursement on a temporary basis as part of the Consolidated Appropriations Act passed last year. The 3.75% increase in CY 2021 was time-limited for purposes of addressing the public health emergency and set to expire at the end of 2021. CMS does not have the legal authority to extend the increase by itself. Outside of this change, the only other adjustment to the conversion factor was a small adjustment for budget neutrality required to balance a shift in RVUs.

The table below summarizes the mathematical build-up of the CY 2022 Conversion Factor.

Table 1 – CY 2022 Conversion Factor Build-up

Step in Build-Up	Value	Description
CY 2021 Conversion Factor	$34.8931	(a)
CY 2021 Conversion Factor without 3.75% from Consolidated Appropriations Act	$33.6319	(b) = (a) / 1.0375
Statutory Update Factor (no update)	1.0000	(c)
CY 2022 RVU Budget Neutrality Adjustment Factor	0.9990	(d)
Resulting CY 2022 Conversion Factor	$33.5983	(e) = (b) x (c) x (d)

In addition to the Conversion Factor update, CMS shared in a spotlight other key provisions for the CY 2022 fee schedule including:

- Confirmed recent changes to Evaluation and Management (E/M) visit codes, which includes policies for split (or shared) E/M visits, critical care services, and services furnished by teaching physicians.
- Finalized that certain telehealth services added under the Consolidated Appropriations Act, 2021 will remain in place through December 2023 and also allowed for the use of audio-only communications technology when furnishing mental health services in certain situations.
- Updated payment amounts for therapy services provided by a Physical Therapist Assistant or Occupational Therapy Assistant.
- Altered payment regulations for Medical Nutrition Therapy services.
- Confirmed changes to vaccine administration services.

[1] There was not a significant change between the Proposed CY 2022 conversion factor of $33.5848 to the CY 2022 Final conversion factor of $33.5983.

Geographic Changes

Geographic Practice Cost Index (GPCI) factors are used in Medicare physician reimbursement to address geographic variation by locality. Wakely reviewed the 2022 GPCIs published in the CY 2022 Professional Fee Schedule (PFS) Final Rule Addenda and found minimal changes from 2021.[2] There are nine localities in California with small changes in GPCI values. All other GPCIs remain unchanged from 2021 to 2022. Despite minimal GPCI changes, we still see some variation by area in the 2022 payment increase. This is due to the fact that RVU changes (described below) are weighted differently by area (with each area's GPCIs).

Relative Value Unit (RVU) Changes

In addition to the conversion factor and GPCIs, MPFS uses published RVUs by procedure code (including codes with modifiers) to determine reimbursement. CMS has published the CY 2022 Physician Expense, Practice Expense, and Malpractice RVUs in the CY 2022 PFS Final Rule Addenda.

To quantify the impact of RVU changes, Wakely utilized the Medicare 5% Sample Limited Data Set (LDS) data from CMS. We repriced all physician claims in the most recently available (CY 2020) LDS Carrier file using Medicare fee schedules for CY 2021, CY 2022 Proposed Rule, and CY 2022 Final Rule. Facility and non-facility rates were applied based on the standard place of service groupings as defined in the fee schedule.

Our analysis was limited to claims repriced under MPFS that had procedure codes that appeared on all three fee schedule versions: CY 2021 Final, CY 2022 Proposed, and CY 2022 Final. We did not reprice claims falling under the clinical laboratory, durable medical equipment, anesthesia, ambulance, or Part B Rx fee schedules. See Table 2 below for a summary the MPFS rate changes from 2021 to 2022 for the top provider specialties sorted by allowed dollars. For a complete summary including all available provider specialties, see Appendix A.

[2] There were no changes to the GPCI factors from the CY 2022 Proposed Rule to the CY 2022 Final Rule.

Table 2: Summary of MPFS Rate Changes from 2021 to 2022 by Provider Specialty[3,4]

Provider Specialty Code	Provider Specialty Description	2020 LDS Allowed Amount	2021 Final Unit Cost	2022 Proposed Unit Cost	2022 Final Unit Cost	2022 Proposed/ 2021 Final Change	2022 Final/2021 Final Change
11	Internal medicine	$363,862,539	$98.61	$96.22	$95.47	-2.4%	-3.2%
08	Family practice	$235,153,925	$95.01	$93.41	$92.18	-1.7%	-3.0%
30	Diagnostic radiology	$208,449,375	$50.72	$47.81	$48.38	-5.7%	-4.6%
18	Ophthalmology	$206,664,253	$119.64	$115.22	$115.19	-3.7%	-3.7%
06	Cardiology	$198,704,494	$92.05	$87.68	$88.09	-4.7%	-4.3%
50	Nurse practitioner	$187,837,442	$75.82	$73.78	$73.26	-2.7%	-3.4%
07	Dermatology	$159,201,074	$87.92	$84.32	$85.30	-4.1%	-3.0%
20	Orthopedic surgery	$152,614,904	$148.21	$144.19	$143.55	-2.7%	-3.1%
65	Physical therapist	$148,329,244	$30.65	$29.59	$29.41	-3.5%	-4.1%
93	Emergency medicine	$110,928,196	$124.53	$119.77	$119.96	-3.8%	-3.7%
97	Physician assistant	$102,434,722	$74.07	$71.95	$71.64	-2.9%	-3.3%
48	Podiatry	$78,752,612	$74.77	$72.55	$72.70	-3.0%	-2.8%
92	Radiation oncology	$78,220,205	$152.29	$139.74	$144.83	-8.2%	-4.9%
34	Urology	$74,832,619	$123.80	$119.13	$120.15	-3.8%	-3.0%
02	General surgery	$71,023,830	$188.31	$181.12	$181.37	-3.8%	-3.7%
10	Gastroenterology	$64,974,384	$132.24	$127.77	$127.62	-3.4%	-3.5%
29	Pulmonary disease	$63,116,176	$102.85	$99.41	$98.95	-3.3%	-3.8%
13	Neurology	$58,611,852	$123.61	$119.57	$119.12	-3.3%	-3.6%
83	Hematology/oncology	$53,029,264	$88.75	$83.68	$84.68	-5.7%	-4.6%
22	Pathology	$52,509,388	$48.20	$45.90	$46.46	-4.8%	-3.6%
41	Optometry[5]	$51,069,452	n/a	n/a	n/a	-3.2%	-3.6%
04	Otolaryngology	$49,011,023	$86.79	$82.70	$83.61	-4.7%	-3.7%
25	Physical medicine and rehabilitation	$46,210,002	$97.43	$93.95	$94.19	-3.6%	-3.3%
26	Psychiatry	$43,326,989	$94.23	$91.28	$90.92	-3.1%	-3.5%
77	Vascular surgery	$42,332,579	$241.66	$214.65	$221.86	-11.2%	-8.2%
39	Nephrology	$35,982,664	$109.26	$105.81	$105.46	-3.2%	-3.5%
68	Clinical psychologist	$35,629,629	$108.78	$104.49	$104.71	-3.9%	-3.7%
14	Neurosurgery	$33,528,210	$308.91	$298.69	$298.69	-3.3%	-3.3%
47	Independent Diagnostic Testing Facility	$31,447,100	$142.74	$135.83	$143.84	-4.8%	0.8%
35	Chiropractic	$30,623,735	$37.90	$36.49	$36.50	-3.7%	-3.7%
N/A	All Other Specialties	$539,718,533	$89.29	$85.40	$85.87	-4.4%	-3.8%
					TOTAL	-3.8%	-3.6%

[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.

[4] The changes shown in Table 2 do not include any of the other potential reductions to payments such as the 2% sequestration and the 4% PAYGO cut.

[5] Payment reductions for split surgical care are not employed. This may affect results mainly in the Eye & Ocular Adnexa bodily system. Due to this, we have omitted unit costs for optometry in Table 2.

While the overall physician payment reduction is similar between the CY 2022 Proposed and Final Rules (i.e., 3.8% versus 3.6%, respectively), we observe a shift in reductions from specialty providers to general practice. In Table 2, we observe that general practice and primary care physician type services decreased less in the CY 2022 Proposed Rule than in the Final Rule. For instance, Family Practice decreased 1.7% from 2021 to the 2022 Proposed Rule, but in the Final Rule, it decreased 3.0%. On the other hand, we note that a specialty such as Radiation Oncology decreased 8.2% in the Proposed Rule, but the large impact to the RVU values was mitigated such that this specialty only decreases 4.9% in the Final Rule.

Medicare payment amounts decrease for almost all physicians in 2022. On average, physician reimbursement decreases by 3.6% in the Final Rule, but the payment cuts vary by provider specialty. Change in payment ranges from -8.8% (peripheral vascular disease) to +0.8% (Independent Diagnostic Testing Facility). Independent Diagnostic Testing Facility is the only provider specialty for which Wakely calculated a payment increase.

For more information on the change in physician payments between 2021 and 2022, see Appendix B for a breakdown by bodily system and Appendix C for a summary by top procedure codes.

Other Changes in Reimbursement

In addition to changes published in the fee schedules themselves, two significant payment reductions are also looming:

1) A temporary freeze on the 2% Budget Control Act (BCA) sequestration cuts is set to expire at the end of 2021. Congress has extended the freeze several times already (in December 2020 and again in April 2021). Without action, payment for all Part A and B claims will be reduced by 2% in 2022.

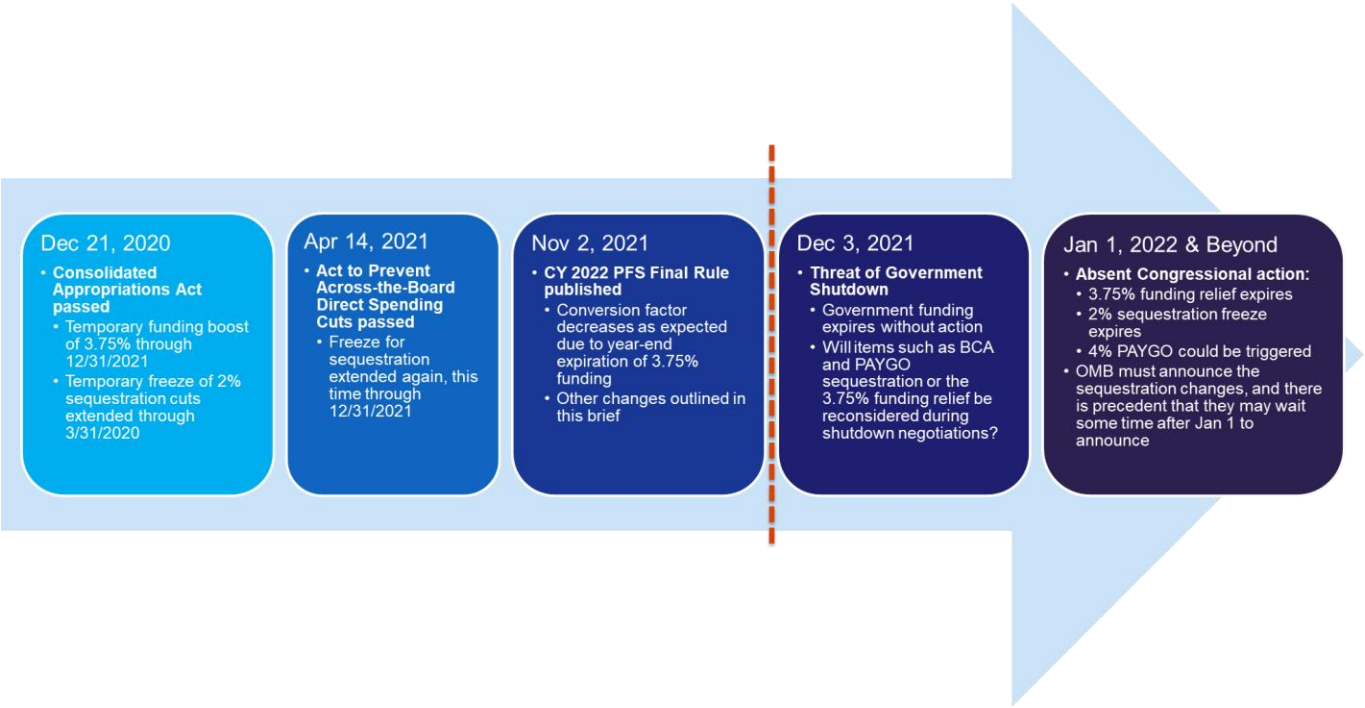
2) The Statutory Pay-As-You-Go (PAYGO) Act of 2010 established a PAYGO sequestration of up to 4% that is triggered when legislation is passed with spending that increases the federal budget deficit. In March 2021, the American Rescue Plan Act (ARPA) was passed with COVID relief spending that triggers a 4% PAYGO cut. Without action, payment for all Part A and B claims will be reduced by 4% in 2022.

The combined impact of the BCA sequestration (2%) and PAYGO reduction (4%) is a 6% reduction to Part A and B Medicare payment. This is on top of the 3.62% decrease modeled above due to conversion factor, GPCI, and RVU changes for a total potential reduction in physician payments of 9.62%.

Potential Congressional Action

To date the large PAYGO related sequestration has never been triggered. While there is some uncertainty as to its exact implementation, most observers believe that the current Administration does not have authority to suspend any of the potential cuts. If this is indeed the case, it would require Congress to pass legislation before the end of year to avoid cuts on January 1, 2022. Given the stakes, Wakely will be watching closely in the coming weeks for any action by Congress that would impact Medicare reimbursement.

The following timeline summarizes recent history and key dates to watch for:



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. 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 IPPS, OPPS, professional fee schedules, FQHC, ASC, and more. For more information about Wakely's capabilities in this area, please visit https://www.wakely.com/services/product/wakely-medicare-repricing-analysis-tool-wmrat or reach out to our team at WMRATSupport@wakely.com.

Disclosures and Limitations

We have relied on published data from CMS for the Medicare 5% Sample Limited Data Set (LDS) and for the CY 2021, CY 2022 Proposed, and CY 2022 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.

We calculated repriced amounts gross of sequestration (i.e. no adjustments to net it out). In addition, we made no adjustment for MACRA/MIPS in our calculations. Furthermore, 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. Finally, payment reductions for split surgical care are not employed. This may affect results mainly in the Eye & Ocular Adnexa bodily system.

This paper and the analysis contained herein are based on our interpretation and understanding of CMS' published guidance as of November 19, 2021. The update on page 1 of the white paper reflects legislation as of December 10, 2021. Results may vary significantly, and CMS or OMB may make further changes.

Please contact Dagny Grillis at dagny.grillis@wakely.com, Emily Janke at emily.janke@wakely.com, or Julie Steiner at julie.steiner@wakely.com with any questions or to follow up on any of the concepts presented here.

OUR STORY

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Appendix A

Table A - Detailed Summary of MPFS Rate Changes from 2021 to 2022 by Provider Specialty[6]

Provider Specialty Code	Provider Specialty Description	2020 LDS Allowed Amount	2021 Final Unit Cost	2022 Proposed Unit Cost	2022 Final Unit Cost	2022 Proposed /2021 Final Change	2022 Final/2021 Final Change
11	Internal medicine	$363,862,539	$98.61	$96.22	$95.47	-2.4%	-3.2%
08	Family practice	$235,153,925	$95.01	$93.41	$92.18	-1.7%	-3.0%
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18	Ophthalmology	$206,664,253	$119.64	$115.22	$115.19	-3.7%	-3.7%
06	Cardiology	$198,704,494	$92.05	$87.68	$88.09	-4.7%	-4.3%
50	Nurse practitioner	$187,837,442	$75.82	$73.78	$73.26	-2.7%	-3.4%
07	Dermatology	$159,201,074	$87.92	$84.32	$85.30	-4.1%	-3.0%
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65	Physical therapist	$148,329,244	$30.65	$29.59	$29.41	-3.5%	-4.1%
93	Emergency medicine	$110,928,196	$124.53	$119.77	$119.96	-3.8%	-3.7%
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48	Podiatry	$78,752,612	$74.77	$72.55	$72.70	-3.0%	-2.8%
92	Radiation oncology	$78,220,205	$152.29	$139.74	$144.83	-8.2%	-4.9%
34	Urology	$74,832,619	$123.80	$119.13	$120.15	-3.8%	-3.0%
02	General surgery	$71,023,830	$188.31	$181.12	$181.37	-3.8%	-3.7%
10	Gastroenterology	$64,974,384	$132.24	$127.77	$127.62	-3.4%	-3.5%
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13	Neurology	$58,611,852	$123.61	$119.57	$119.12	-3.3%	-3.6%
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22	Pathology	$52,509,388	$48.20	$45.90	$46.46	-4.8%	-3.6%
41	Optometry[7]	$51,069,452	n/a	n/a	n/a	-3.2%	-3.6%
04	Otolaryngology	$49,011,023	$86.79	$82.70	$83.61	-4.7%	-3.7%
25	Physical medicine and rehabilitation	$46,210,002	$97.43	$93.95	$94.19	-3.6%	-3.3%
26	Psychiatry	$43,326,989	$94.23	$91.28	$90.92	-3.1%	-3.5%
77	Vascular surgery	$42,332,579	$241.66	$214.65	$221.86	-11.2%	-8.2%
39	Nephrology	$35,982,664	$109.26	$105.81	$105.46	-3.2%	-3.5%
68	Clinical psychologist	$35,629,629	$108.78	$104.49	$104.71	-3.9%	-3.7%
14	Neurosurgery	$33,528,210	$308.91	$298.69	$298.69	-3.3%	-3.3%

[6] 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.

The changes shown in Table A do not include any of the other potential reductions to payments such as the 2% sequestration and the 4% PAYGO cut.

[7] Payment reductions for split surgical care are not employed. This may affect results mainly in the Eye & Ocular Adnexa bodily system. Due to this, we have omitted unit costs for optometry in Table A.

Provider Specialty Code	Provider Specialty Description	2020 LDS Allowed Amount	2021 Final Unit Cost	2022 Proposed Unit Cost	2022 Final Unit Cost	2022 Proposed /2021 Final Change	2022 Final/2021 Final Change
47	Independent Diagnostic Testing Facility	$31,447,100	$142.74	$135.83	$143.84	-4.8%	0.8%
35	Chiropractic	$30,623,735	$37.90	$36.49	$36.50	-3.7%	-3.7%
21	Pathologic anatomy, clinical pathology	$29,500,405	$84.83	$80.37	$80.78	-5.2%	-4.8%
80	Licensed clinical social worker	$29,291,143	$88.54	$85.12	$85.21	-3.9%	-3.8%
69	Clinical laboratory	$26,892,490	$65.49	$61.68	$63.30	-5.8%	-3.3%
44	Infectious disease	$26,188,313	$98.92	$94.42	$95.10	-4.6%	-3.9%
05	Anesthesiology	$25,915,009	$99.62	$95.98	$96.49	-3.7%	-3.1%
66	Rheumatology	$23,257,555	$96.02	$91.66	$91.83	-4.5%	-4.4%
16	Obstetrics/gynecology	$21,441,899	$109.17	$105.78	$105.73	-3.1%	-3.2%
72	Pain Management	$21,395,112	$120.51	$116.61	$117.38	-3.2%	-2.6%
46	Endocrinology	$20,751,720	$110.07	$107.56	$106.15	-2.3%	-3.6%
94	Interventional radiology	$18,016,162	$133.03	$116.48	$121.76	-12.4%	-8.5%
09	Interventional Pain Management	$17,782,226	$126.77	$122.59	$123.85	-3.3%	-2.3%
90	Medical oncology	$16,647,260	$90.07	$84.73	$85.91	-5.9%	-4.6%
24	Plastic and reconstructive surgery	$14,870,367	$200.89	$194.70	$194.71	-3.1%	-3.1%
81	Critical care	$14,761,649	$135.91	$130.53	$130.88	-4.0%	-3.7%
33	Thoracic surgery	$14,287,873	$358.64	$342.70	$343.54	-4.4%	-4.2%
67	Occupational therapist	$13,821,971	$32.18	$30.96	$30.92	-3.8%	-3.9%
01	General practice	$12,250,094	$94.20	$92.11	$91.34	-2.2%	-3.0%
40	Hand surgery	$10,064,307	$128.37	$125.79	$124.88	-2.0%	-2.7%
03	Allergy/immunology	$9,960,650	$17.76	$16.84	$17.12	-5.2%	-3.6%
78	Cardiac surgery	$9,729,069	$370.91	$353.48	$354.82	-4.7%	-4.3%
38	Geriatric medicine	$7,427,855	$102.52	$100.18	$99.52	-2.3%	-2.9%
28	Colorectal surgery	$6,668,862	$216.96	$208.85	$210.05	-3.7%	-3.2%
23	Peripheral vascular disease, medical or surgical	$5,058,443	$102.21	$99.65	$99.05	-2.5%	-3.1%
91	Surgical oncology	$3,860,030	$246.15	$239.34	$238.45	-2.8%	-3.1%
98	Gynecologist/oncologist	$3,662,721	$169.45	$163.16	$163.83	-3.7%	-3.3%
63	Portable X-ray supplier	$3,614,233	$20.51	$21.62	$20.24	5.4%	-1.3%
64	Audiologist	$2,695,235	$34.10	$32.49	$32.96	-4.7%	-3.3%
82	Hematology	$2,550,684	$96.93	$91.90	$92.70	-5.2%	-4.4%
15	Obstetrics	$2,526,448	$64.32	$61.94	$62.35	-3.7%	-3.1%
89	Certified clinical nurse specialist	$2,512,849	$82.41	$79.97	$79.47	-3.0%	-3.6%

Provider Specialty Code	Provider Specialty Description	2020 LDS Allowed Amount	2021 Final Unit Cost	2022 Proposed Unit Cost	2022 Final Unit Cost	2022 Proposed /2021 Final Change	2022 Final/2021 Final Change
36	Nuclear medicine	$2,355,389	$81.02	$76.43	$77.29	-5.7%	-4.6%
19	Oral surgery	$2,279,076	$317.21	$291.42	$303.14	-8.1%	-4.4%
C0	Sleep medicine	$2,248,666	$131.46	$128.60	$126.50	-2.2%	-3.8%
17	Hospice and Palliative Care	$2,133,846	$112.82	$108.70	$108.99	-3.7%	-3.4%
37	Pediatric medicine	$2,131,447	$80.37	$77.88	$77.50	-3.1%	-3.6%
12	Osteopathic manipulative therapy	$2,008,648	$95.46	$92.64	$92.10	-3.0%	-3.5%
74	Radiation Therapy Centers	$1,601,459	$201.47	$174.08	$187.42	-13.6%	-7.0%
N/A	All Other Provider Specialties	$107,557,370	$105.98	$100.88	$101.61	-4.8%	-4.1%
					TOTAL	**-3.8%**	**-3.6%**

Appendix B

Table B - Summary of MPFS Rate Changes from 2021 to 2022 by Bodily System[8]

Bodily System	2020 LDS Allowed Amount	2021 Final Unit Cost	2022 Proposed Unit Cost	2022 Final Unit Cost	2022 Proposed/ 2021 Final Change	2022 Final/2021 Final Change
Evaluation & Management	$1,660,585,930	$106.83	$104.26	$103.30	-2.4%	-3.3%
Medicine	$661,584,682	$47.20	$45.29	$45.51	-4.1%	-3.6%
Radiology	$313,917,046	$56.68	$53.46	$54.24	-5.7%	-4.3%
Integumentary System	$198,088,125	$82.37	$78.67	$80.07	-4.5%	-2.8%
Musculoskeletal System	$151,881,508	$235.74	$227.22	$227.94	-3.6%	-3.3%
HCPCS	$119,017,116	$82.03	$77.57	$78.19	-5.4%	-4.7%
Cardiovascular System	$110,124,534	$634.23	$546.92	$576.62	-13.8%	-9.1%
Eye & Ocular Adnexa[9]	$87,753,018	n/a	n/a	n/a	-3.9%	-3.8%
Pathology	$86,895,986	$52.42	$49.75	$50.61	-5.1%	-3.5%
Digestive System	$68,950,229	$253.65	$245.75	$245.73	-3.1%	-3.1%
Nervous System	$66,287,798	$193.34	$186.65	$189.26	-3.5%	-2.1%
Urinary System	$33,023,842	$137.64	$129.51	$133.90	-5.9%	-2.7%
Respiratory System	$25,088,955	$218.33	$202.33	$209.07	-7.3%	-4.2%
Female Genital System	$7,422,245	$310.36	$298.32	$302.70	-3.9%	-2.5%
Male Genital System	$5,355,252	$391.31	$360.81	$372.33	-7.8%	-4.8%
Auditory System	$5,181,970	$62.05	$60.21	$60.09	-3.0%	-3.2%
Hemic & Lymphatic Systems	$3,425,585	$203.34	$200.46	$199.15	-1.4%	-2.1%
Endocrine System	$1,549,761	$648.91	$636.62	$632.49	-1.9%	-2.5%
All Other Bodily Systems	$1,996,832	$172.32	$165.95	$167.63	-3.7%	-2.7%
				TOTAL	**-3.8%**	**-3.6%**

[8] 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

The changes shown in Table B do not include any of the other potential reductions to payments such as the 2% sequestration and the 4% PAYGO cut.

[9] Payment reductions for split surgical care are not employed. This may affect results mainly in the Eye & Ocular Adnexa bodily system. Due to this, we have omitted unit costs for that category in Table B.

Appendix C

Table C - Detailed Summary of MPFS Rate Changes from 2021 to 2022 by Top Procedure Codes[10]

Procedure Code	2020 LDS Allowed Amount	2022 Proposed/2021 Final Change	2022 Final/2021 Final Change
99214	$436,585,763	-2.1%	-4.0%
99213	$256,655,030	-1.8%	-3.4%
99232	$115,412,772	-4.2%	-3.7%
99233	$102,411,219	-5.0%	-3.7%
99223	$78,773,499	-4.2%	-3.9%
99285	$71,230,424	-4.1%	-3.9%
99204	$65,782,765	-2.3%	-3.1%
92014	$62,790,625	-2.5%	-2.9%
97110	$60,619,414	-2.8%	-3.7%
99291	$56,439,522	-4.3%	-3.7%
99215	$55,706,267	-1.8%	-3.1%
99203	$46,164,772	-1.3%	-2.8%
G0439	$45,463,535	-2.0%	-3.7%
88305	$41,139,119	-2.9%	-2.6%
99309	$36,551,253	-2.3%	-3.3%
93306	$36,386,587	-5.3%	-4.1%
90837	$35,065,826	-4.0%	-4.0%
66984	$33,548,591	-3.2%	-3.5%
99308	$30,509,731	-2.9%	-3.2%
99222	$30,464,266	-4.5%	-3.4%
97530	$29,158,876	-7.7%	-6.1%
97140	$25,334,332	-1.5%	-3.7%
97112	$24,402,047	-3.7%	-3.7%
98941	$22,660,066	-3.7%	-3.7%
99205	$22,287,040	-1.9%	-3.1%

[10] Table C includes the top 25 procedure codes in the 2020 LDS data, 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.

The changes shown in Table C do not include any of the other potential reductions to payments such as the 2% sequestration and the 4% PAYGO cut.