

---

# Law Changes Improve 2021 Reimbursements

**By Elizabeth Woodcock, MBA, FACMPE, CPC**

On December 27, President Trump signed the fourth major COVID-19 emergency funding bills into law, providing approximately \$900 billion in funding. The bipartisan agreement offers several key provisions critical to medical practices in 2021. Here is a summary of the law's impact on medical practice reimbursement:

- Infuses \$3 billion into the Medicare Physician Fee Schedule (MPFS), nullifying the mandated MPFS budget neutrality for the year. The newly enacted law states there will be a 3.75% increase in the payment schedule applied across the board in 2021, counteracting the 10% cut announced earlier last month. The conversion factor, instead, drops from \$36.09 to \$34.8931. This represents a 5% cut that reflects the infusion of funding, as well as the delay of the HCPCS add-on code G2211 for three years. The G2211 code was meant for office-based medical specialties to achieve a \$10 to \$15 per visit payment boost for the “inherent complexity” of primary care and other office visits. This delay had a significant impact on Medicare pay-outs, thereby softening the original cuts.
- Another 90 days of relief from sequestration. The pesky 2% reduction that has been in place for nearly a decade was temporarily suspended between May and December 2020; the new law extends the suspension through March 31, 2021. Please make sure that your Medicare Advantage plans are complying with this dictate; since they are administered by commercial payers, it's possible they may not be in compliance.
- Extends the work geographic practice cost index (GPCI) floor through 2023, mainly benefiting physicians practicing in the Midwest.
- Expands telehealth access further for mental health services, updating the list of CPT codes on the telehealth services eligible for reimbursement beyond the public health emergency (PHE). [Scroll to the bottom of this link](#) to find the newly-updated list at: CY 2021 PFS Final Rule List of Medicare Telehealth Services (updated 12/21/2020) (ZIP).
- Provides for the establishment of new Medicare funded residency positions.
- Allows providers to pursue independent dispute resolution tactics with insurance payers if an out-of-network medical bill is generated during a patient emergency. This finalizes the “surprise bill” legislation that has been floating around Washington, DC for several years, giving a pathway to reimbursement for practices that bill out-of-network, albeit an arguably time-intensive, arduous one.

- Enhances the reimbursement for Rural Health Clinics (RHC)s, raising the statutory cap to \$100 on April 1, 2021 – and increasing the amount through 2028 until it reaches \$190.
- Infuses more money into the [FCC COVID-19 Telehealth Program Funding](#), a grant program for non-profit health care organizations. There is consideration that additional applications will be accepted.

In addition to these opportunities, some medical practices may be able to benefit from a second Payment Protection Program, being made available to small businesses. Discuss this option with your CPA.

What changed with the new law is as important as what did not – the boost in work relative value units (RVUs) for the office-based evaluation and management (E/M) codes remains. Seven of the office-based E/M codes – 99212, 99213, 99214, 99215, 99203, 99204, and 99205 received increases; for example, the work RVU for 99213 rose from 0.97 to 1.30, making the total RVUs sum to 2.65. As Medicare – and most commercial payers – rely on RVUs to pay for professional services, reimbursement will proportionately rise for these codes. In addition to the boost to RVUs, the new documentation requirements announced in 2019, but implemented on January 1, 2021, will remain unchanged. A history and physical will no longer be required; total time can be the factor for the choice of the code level. Indeed, in the newly-released 2021 fee schedule, CMS denotes: “Office o/p est low 20-29 min” to describe 99213. For more detail on these changes – and more, see the [American Medical Association’s E/M code and guideline changes](#). SVMIC also has a recorded session on E/M coding changes which members can watch [here](#).

Read the [communication](#) from the Centers for Medicare and Medicaid Services (CMS) about the Medicare reimbursement schedule for 2021.

## **Public Health Emergency Extended**

On Friday, January 8, Secretary of Health & Human Services Alex Azar renewed the [Public Health Emergency \(PHE\)](#) for 90 days. The importance of this renewal is that it extends the regulations that have been eased for telemedicine. The extension allows the PHE-based regulatory relaxations to be valid through April 20. The relaxations include patient location; communication device (e.g., smartphone can be used); covered services; privacy rules; and more.

---

*The contents of The Sentinel are intended for educational/informational purposes only and do not constitute legal advice. Policyholders are urged to consult with their personal attorney for legal advice, as specific legal requirements may vary from state to state and/or change over time.*