

2021 Evaluation and Management CPT Codes

Understanding the Change to Work RVU Values



Following its annual review of the American Medical Association's Relative Value System Update Committee's recommendations, the Centers for Medicare and Medicaid Services (CMS) finalized proposed changes to the **2021 Physician Fee Schedule** and has significantly overhauled the **Evaluation and Management (E&M) code** documentation requirements, time-effort recognition, and wRVU values for new and established patient office visits.

These changes were effective as of January 1, 2021.

As organizations look to understand the impact of these changes on reported physician productivity levels, it is also important to assess the effect it will have on physician compensation arrangements, fair market value and commercial reasonableness considerations, financial sustainability and national survey benchmarks.

CMS made significant adjustments for 2021:

- An **increase in wRVUs for most office visit E&M codes** due to added responsibilities physicians have absorbed over the last five years
- A **3.3% reduction in the conversion factor** for Medicare physician payments; Congress acted to prevent the required 10.2% conversion factor reduction needed to maintain Medicare budget neutrality in 2021.
- **Two add-on codes:**
 - G2212 to recognize every 15 minutes of extended office visit time
 - G2211 to account for qualified, severe or complex chronic conditions; **deferred until January 1, 2024**

HCCPS Code	Percentage Change in wRVU Value
99201 ¹	N/A
99202	0%
99203	13%
99204	7%
99205	10%
99211	0%
99212	46%
99213	34%
99214	28%
99215	33%

¹This code was eliminated in 2021.

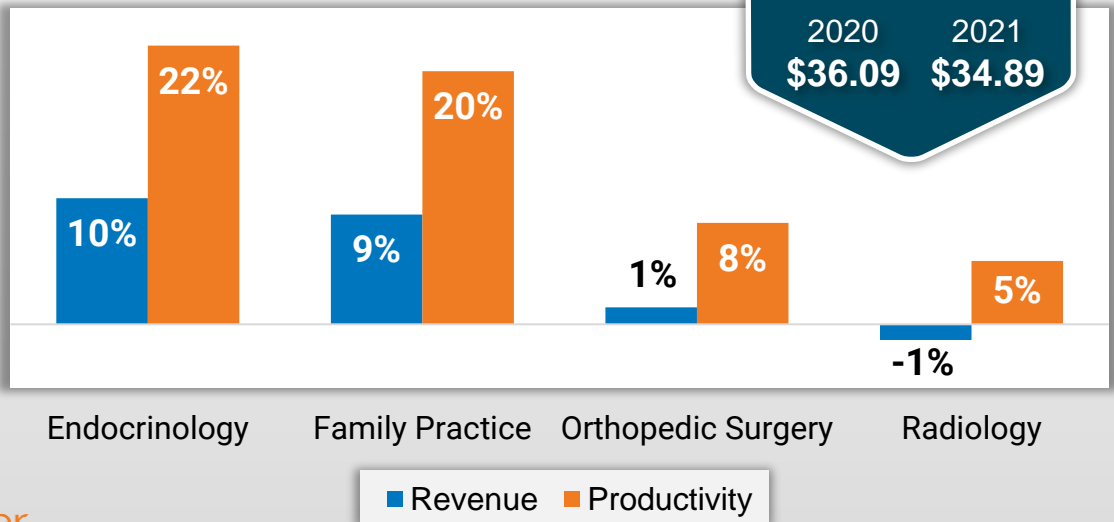
Final CMS 2021 Physician Fee Schedule

Overall Reimbursement vs. Work RVU Changes

CMS Conversion Factor Change

2020: \$36.09
2021: \$34.89

Assuming a 40% Medicare payer mix and stable commercial payer reimbursement, **overall revenue changes are not as significant as reported wRVU productivity changes**



A fundamental understanding of how market data reflected in benchmarks will change is important.

To avoid possible pitfalls, organizations should conduct a strategic review of the final changes to determine the impact this will have on their physician compensation and payer reimbursement levels.

Important questions to consider as you evaluate the changes:

1

Will we **adjust our TCC per wRVU rates** prospectively for 2021 or delay adoption of the new wRVU values and adjusted TCC/wRVU rates until 2022?

2

Do our **commercial payer contracts** use Medicare wRVU values and, if so, how soon will commercial payments be affected?

3

Do we intend to **reflect CMS' shift in reimbursement** from proceduralists and hospital-based specialties to cognitive specialties in our compensation plan? If so, how quickly?

4

Will there be **fair market value** and **commercial reasonableness** risks created due to higher compensation if compensation plan rates are based on historical ratios?

5

If adopting the 2021 fee schedule and utilizing 2020 rates, how will we **preserve flexibility to adjust rates** in 2022 should reimbursement rates decrease?

6

What changes can we anticipate from CMS' intent to reevaluate **wRVU values in other E&M code groups** (hospital inpatient visits, SNF visits, etc.) in the future?