

2023 Physician Fee Schedule Changes



The Centers for Medicare & Medicaid Services (CMS) released their Final Rule for the 2023 Physician Fee Schedule (PFS) in the *Federal Register* on November 18, 2022, and an updated 2023 Medicare conversion factor on January 5, 2023. The final rule includes revised evaluation and management (E&M) coding guidelines that are intended to reduce administrative burden, primarily in inpatient settings and skilled nursing facilities. These changes will further impact E&M CPT code documentation requirements, wRVU values, and resulting wRVU production levels for physicians and advanced practice providers (APPs) providing these services in inpatient and skilled nursing facility settings.

CPT Code	Description	2022 wRVU Value	2023 wRVU Value	wRVU Value Change	wRVU Value % Change
Hospital Inpatient and Observation Services					
99221	Initial hospital care	1.92	1.63	(0.29)	(15.1%)
99222	Initial hospital care	2.61	2.60	(0.01)	(0.4%)
99223	Initial hospital care	3.86	3.50	(0.36)	(9.3%)
99231	Subsequent hospital care	0.76	1.00	0.24	31.6%
99232	Subsequent hospital care	1.39	1.59	0.20	14.4%
99233	Subsequent hospital care	2.00	2.40	0.40	20.0%
99234	Observ/hosp same date	2.56	2.00	(0.56)	(21.9%)
99235	Observ/hosp same date	3.24	3.24	0.00	0.0%
99236	Observ/hosp same date	4.20	4.30	0.10	2.4%
99238	Hospital discharge day	1.28	1.50	0.22	17.2%
99239	Hospital discharge day	1.90	2.15	0.25	13.2%
Hospital Emergency Department Services					
99281	Emergency dept visit	0.48	0.25	(0.23)	(47.9%)
Nursing Facility Services					
99304	Nursing facility care init	1.64	1.50	(0.14)	(8.5%)
99305	Nursing facility care init	2.35	2.50	0.15	6.4%
99306	Nursing facility care init	3.06	3.50	0.44	14.4%
99307	Nursing fac care subseq	0.76	0.70	(0.06)	(7.9%)
99308	Nursing fac care subseq	1.16	1.30	0.14	12.1%
99309	Nursing fac care subseq	1.55	1.92	0.37	23.9%
99310	Nursing fac care subseq	2.35	2.80	0.45	19.1%
99315	Nursing fac discharge day	1.28	1.50	0.22	17.2%
99316	Nursing fac discharge day	1.90	2.50	0.60	31.6%

CMS has reduced its Medicare Conversion Factor to \$33.89

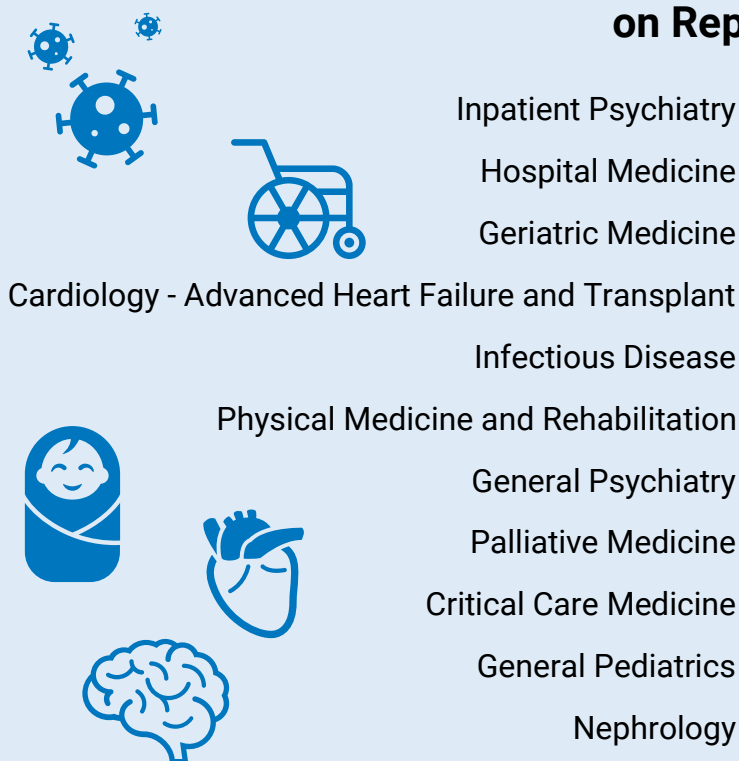
(a 2.1% decrease from the 2022 Medicare conversion factor of \$34.61)

- Some observation codes have been **removed** (99224 – 99226)
- **Home/residence** service wRVU values have also been revised
- The **time requirements** for various codes have changed (99233 was 35 minutes and will be 50 minutes)

SullivanCotter conducted an assessment of the 2023 Final Rule to help organizations anticipate reported wRVU changes by specialty:



Projected Impact of 2023 Final Rule on Reported wRVUs



- The 2023 Final Rule will **increase reported wRVUs for specialties providing inpatient and skilled nursing care**
- The Medicare conversion factor decreases will **reduce Medicare reimbursement for other specialties**
- Reimbursement and wRVU values have increased **for immunization administration**, impacting **pediatric physicians and APPs** due to the high volume of immunizations they administer
- CMS has **delayed** the implementation of the **changes related to Split/Shared Visits until January 1, 2024**

Sources: CY 2023 Payment Policies Under the Physician Fee Schedule and Other Changes to Part B Payment Policies. Federal Register. (2022, November 18). Retrieved from <https://www.federalregister.gov/documents/2022/11/18/2022-23873/medicare-and-medicare-programs-cy-2023-payment-policies-under-the-physician-fee-schedule-and-other>
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Physician Fee Schedule - January 2023 release, effective January 1, 2023. Centers for Medicare & Medicaid Services. (2023, January 18). Retrieved from <https://www.cms.gov/medicare/medicare-fee-service-payment/physicianfeeschedpfs-relative-value-files/rvu23a>
SullivanCotter 2021 Large Clinic® CPT Study.

Learn More:
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Learn more about SullivanCotter's assessment of the 2023 Final Rule

