



Timely, Tough, or Tricky – Physician Compensation and Fair Market Value Topics in 2022

THE PROPOSED 2023 MPFS

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Speakers



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Introduction

To initiate a dialogue on timely, and occasionally, tough or tricky topics in physician compensation and fair market value, PYA began a 2022 webinar series in March of this year. Issues covered to-date include:

- The 2021 (and 2022) Medicare Physician Fee Schedule
- Telehealth Services
- Group Practice Exception Regulation Changes
- Advanced Practice Practitioners
- Value-Based Arrangements
- Confusion Surrounding Compensation per wRVU
- Changes to Commercial Reasonableness
- Using Benchmark Data in 2022
- Physician Services in Rural Markets
- Call Coverage Compensation, Including COVID-19 Implications



The 2023 Medicare Physician Fee Schedule (MPFS) Proposed Rule



5 Key Highlights from the Proposed Rule



1. 5% Pay Cut
2. Appropriate Use Criteria
3. Telehealth Services
4. Evaluation and Management Services
5. Split/Shared Visits

Other Key Highlights from the Proposed Rule

- Medicare Shared Savings Program Overhaul
- Behavioral Health Services
- New Reimbursement for Chronic Pain Management and Treatment Services
- Request for Information:
 - Medicare Potentially Underutilized Services
 - Global Surgical Package Valuation



Implications to Physician Compensation



Major Changes to wRVU Values for E&M CPT Codes



Initial hospital care

99211
Decreases
15%

99222
Relatively the same

99223
Decreases
9%

Observation/hospital same date

99234
Decreases
22%

99235 & 99236
Relatively the same

Subsequent
hospital care
(99231 – 99233)

Increasing
14 – 32%

Inpatient
consultation
(99231 – 99233)

Decreasing
4 – 17%

Hospital
discharge
day
(99238 –
99239)

Increasing
13 – 17%

Estimated Impact on Total Allowed Charges by Specialty



Biggest Reimbursement “Winners”

- Infectious Disease
- Internal Medicine
- Geriatrics
- Nurse Practitioner
- Physical Medicine
- Psychiatry
- Pulmonary Disease
- Diagnostic Testing Facility

Biggest Reimbursement “Losers”

- Interventional Radiology
- Nuclear Medicine
- Vascular Surgery
- Radiology
- Rheumatology
- Oral/ Maxillofacial Surgery
- Allergy/ Immunology
- Podiatry
- Clinical Psychologist/ Social Worker

Source: Federal Register/ Vol. 87, No. 145/ Friday, July 29, 2022 (Table 138)

Key MPFS Updates Impacting Fair Market Value



- Physicians on a compensation per wRVU productivity model may earn more or less compensation, and employers may have a different level of loss per FTE physician absent any mitigating changes to physician compensation agreements.
- Without any physician compensation adjustments, physicians in certain specialties who primarily bill inpatient E/M codes, and who are on a wRVU productivity model with a wRVU threshold, may meet that threshold faster, thus earning additional compensation for which they were ineligible for historically.
- The full impact of these changes may not be seen in physician compensation and productivity benchmark data for several years (e.g., 2024 surveys are based on 2023 data).
- Using 2023 physician compensation benchmark survey data (based on 2022 responses) without adjustment or consideration of the MPFS impact in 2023 may lead to compensation that is above fair market value.

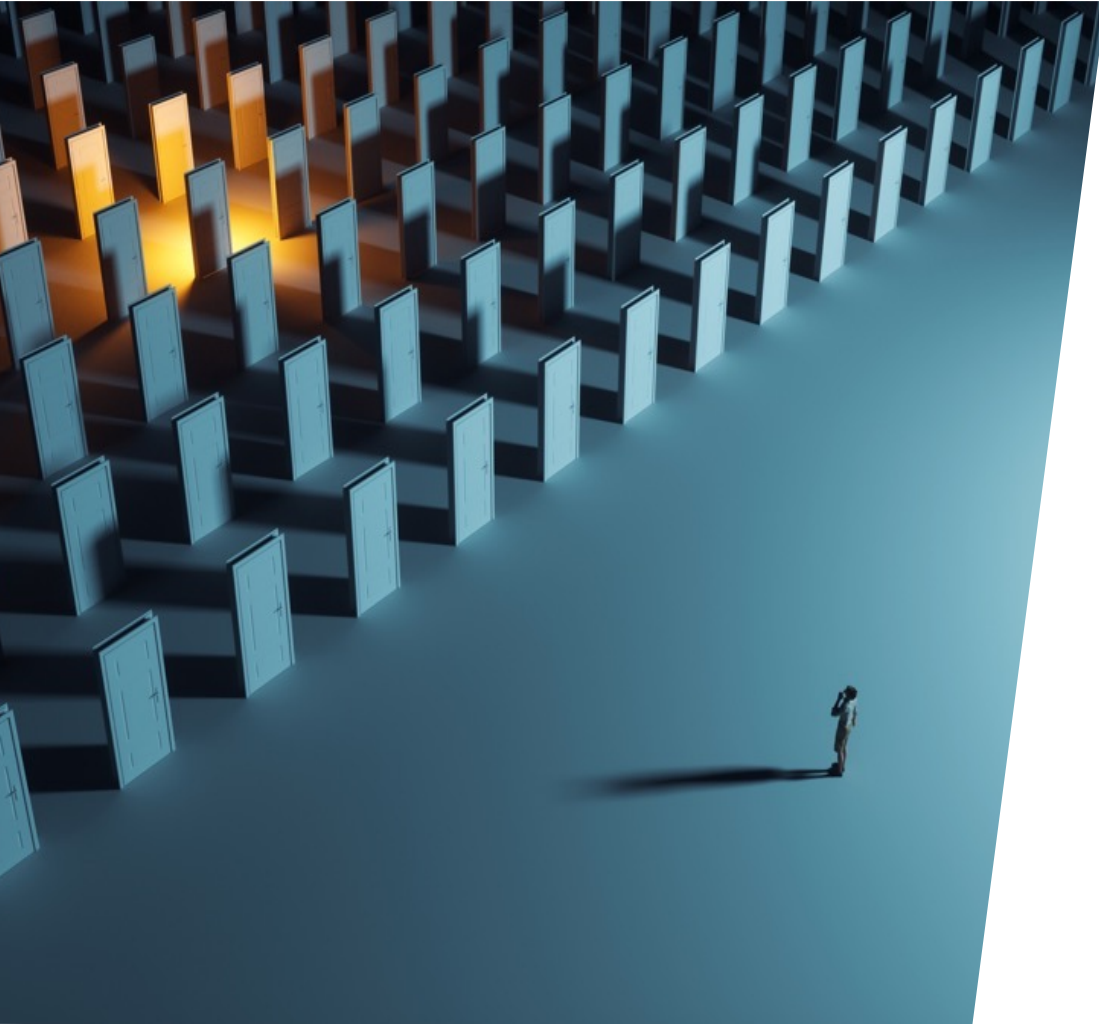




What You Should Do To Prepare for the Anticipated Changes

- Measure the impact of the potential change, by specialty and/or physician, without any change to the current physician compensation formula.
- Consider the results of this analysis and its impact to fair market value compensation and commercial reasonableness.

Tactics to Consider



- Maintain the use of “your” current year MPFS in 2023
- If you have implemented the 2022 MPFS, consider staying with 2022 wRVUs in 2023
- Implement the 2023 wRVUs and address individual physicians on a wRVU productivity model who may be problematic
 - Adjust compensation per wRVU; or,
 - Adjust the wRVU threshold; or,
 - Adjust both the compensation per wRVU and the wRVU threshold.



Thank you!



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