

2021 Medicare Physician Fee Schedule Final Rule

By Richard Kusserow | December 17, 2020

The Centers for Medicare and Medicaid Services (CMS) has issued the final rule for the Calendar Year (CY) 2021 Medicare Physician Fee Schedule (PFS). It determines how much physicians get paid for delivering services furnished under the PFS starting on the first of the new year.

As a result of the statutory requirement that the PFS remain budget neutral, adjustments are made to the conversion factor if changes to the relative value units (RVUs), which determine physician reimbursement, result in changes of more than \$20 million. The conversion factor for CY 2021 was reduced by \$3.68, leading to a conversion factor of \$32.41. CMS finalized increases in RVUs for office/outpatient evaluation and management (E/M) services such as maternity care bundles and emergency department visits. CMS indicated that the final rule will also aid other clinicians by reducing the E/M documentation burden through a more streamlined reporting process for E/M levels.

The final rule includes the addition of more than 60 services to the Medicare telehealth list. A new, temporary category of telehealth benefits under the PFS will include telehealth services covered by Medicare during the public health emergency and through the calendar year in which the emergency declaration expires. It includes services such as home visits for established patients, emergency department visits at all levels, nursing facilities discharge day management, psychological and neuropsychological testing, hospital discharge day management, and others.

For more information in the Final Rule, see the following:

- [CMS fact sheet](#)
- [CMS webpage on the Physician Fee Schedule](#)
- [CMS press release on the expansion of telehealth services](#)

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