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Work RVU Changes May Put Money, FMV at Risk at Hospitals With Productivity Compensation

By Nina Youngstrom

Because of changes to relative value units (RVUs) coming in 2021, hospitals may wind up paying some physicians more money for doing the same work. Hospitals with productivity compensation based on work RVUs could spend far more on physician pay without necessarily taking in more reimbursement, and they may find fair market value thrown out of whack, experts say.

In the 2021 proposed Medicare Physician Fee Schedule Regulation,^[1] CMS increased the number of work RVUs for seven of the most highly used CPT codes (99203, 99204, 99205 and 99212-99215) and introduced two add-on codes, said Adam Klein, a principal at ECG Management Consultants in San Diego, California. The codes are for evaluation and management (E/M) services favored by primary care physicians and office-based specialists, such as rheumatologists. At the same time, CMS reduced the conversion factor by about 11% to ensure the jump in work RVUs was budget neutral, and surgeons and other specialists who are procedure-based will take a hit. That combination of circumstances can complicate compensation plans, said Marion Salwin, director of physician and regulatory compliance at Trinity Health in Livonia, Michigan.

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