

# 2023 Medicare Physician Fee Schedule Final Rule

## Overview

On November 1, 2022, the Centers for Medicare & Medicaid Services (CMS) issued the 2023 Medicare Physician Fee Schedule (PFS) Final Rule. Every year, the PFS includes several updates and policy changes impacting Medicare payments to physicians.

The 2023 PFS was no different, containing important changes related to payment rates for physician services, coding guidelines for evaluation & management (E&M) visits, requirements for telehealth services, supervision for behavioral health services, and the operation of the Medicare Shared Savings Program (MSSP) and the Merit-based Incentive Payment System (MIPS), among many other changes.

## Key changes in the 2023 PFS include:

- Reducing the PFS conversion factor for calendar year (CY) 2023 to \$33.06, which will reduce physician payments by approximately 4.5 percent
- Revising the coding and documentation framework to allow time or medical decision making to be used to select the E&M visit level for “Other E&M” visits, which include hospital inpatient, hospital observation, emergency department, and nursing facility E&M visits
- Delaying changes to the split (or shared) E&M visits policy until CY 2024. For CY 2023, the substantive portion of a visit (and thus who can bill for the visit) still can be determined based on history, exam, medical decision making, or time
- Permitting behavioral health services to be provided under the general supervision (rather than direct supervision) of a physician or non-physician practitioner in certain circumstances
- Offering advance shared savings payments to new low-revenue Accountable Care Organizations (ACOs) in the MSSP, allowing ACOs to have a longer time period before needing to accept downside risk, and adding a health equity adjustment to an ACO’s quality score

## By the numbers

**151**  
DAYS

length of time many telehealth flexibilities will remain in place after the end of the COVID-19 Public Health Emergency

**8.5%**

potential physician payment cuts effective 1/1/23, based on PFS changes combined with the scheduled 4% PAYGO reductions

## More information

Physicians and practice administrators should carefully review the PFS Final Rule to make sure they are aware of all provisions affecting their practices. Physicians and practice administrators concerned about provisions in the Final Rule, such as the scheduled payment reductions, may want to consider reaching out to their professional societies and organizations to get involved in ongoing advocacy efforts related to these issues.

[Click here](#) to view the CMS Fact Sheet (along with links to other Fact Sheets) about the PFS Final Rule. [Click here](#) to access the full MPS Final Rule.