INTRODUCTION: The Centers for Medicare & Medicaid Services (CMS) has elected to proceed with significant cuts to the 2021 physician fee schedule (PFS). There has been an overall 3.3% decrease in the valuation of work relative value units (RVUs) per CMS guidelines. In an effort to decrease administrative burden and restructure office visit coding, CMS has increased the value of certain in office evaluation and management (E/M) services as well as changing the criteria for level of visit based on complexity of decision making. The release of the 2021 PFS Final Rule has drastically altered the reimbursement structure of orthopaedic surgeons and the direct effects of these changes are unknown. The purpose of this study is to determine the projected changes in both RVU and Medicare reimbursement from 2020 to 2021 among a group of high-volume shoulder surgeons.

METHODS: We queried the billing data for nine fellowship trained shoulder and elbow surgeons at a high-volume surgical practice from January to December 2020. We captured all office-based E/M codes as well as surgical codes for shoulder arthroplasty and commonly used shoulder arthroscopy codes. Using 2020 volume, we then predicted the potential change to reimbursement using the 2021 Medicare PFS. Additionally, we then estimated the impact of increasing the levels of E/M billing using the new 2021 CMS criteria.

RESULTS:
All surgeons had significant decreases in reimbursement from shoulder arthroplasty surgical billing with an average decrease of $4,481 (range = $1,428 - $8,259). When combining shoulder arthroplasty and commonly used shoulder arthroscopy codes, the shoulder and elbow division can expect a decrease of $113,139 in CMS reimbursement. However, all surgeons had significant increases in reimbursement from office based E/M codes with an average increase of $32,666 (range = $19,812 - $47,428.61). If 25% or 50% of level 3 (99203 and 99213) office visits are able to be billed at level 4 (99204 and 99214) surgeons can expect an average increase of $25,348 (range = $16,132 - $31,620) or $54,184 (range = $39,363 - $64,131), respectively.

DISCUSSION AND CONCLUSION: Shoulder surgeons can expect a significant decrease in CMS reimbursement related to surgical billing. The increased valuation, and potential the ability to achieve higher levels, of office visit coding may offset and exceed the lost revenue from surgical procedures. However, this one time increase in office-based billing and the continual annual cuts to surgical procedure valuation is not a sustainable model.