

Status of 2023 Medicare Payment Rate



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On December 29, 2022, the President signed the “Consolidated Appropriations Act, 2023” into law, sparing physicians the 4.5% payment cut to Medicare announced just weeks prior. While the decline wasn’t as bad as projected, it was far from reversed. The section, “Extension of Support for Physicians and Other Professionals in Adjusting to Medicare Payment Changes” reads:

“...such services furnished on or after January 1, 2023, and before January 1, 2024 [are adjusted] by 2.5 percent; and...such services furnished on or after January 1, 2024, and before January 1, 2025, [are adjusted] by 1.25 percent.”

That’s elaborate language for stating that the cuts are 2.5% in 2023 – and 1.25% in 2024.

The newly enacted law also extended the alternative payment model (APM) incentive payment for participating physicians via the Quality Payment Program(QPP) for an additional year at a rate of 3.5%, down from 5%.

In addition to reducing the projected payment cuts, the December law addressed

telemedicine. Coverage for telemedicine is extended through the conclusion of 2024, to include the COVID-era relaxations related to patients' location and audio-only encounters. This passage is a double-edged sword for physicians; for medical practices that are offering telemedicine, the two-year extension is welcome news. However, the newly announced coverage window will continue to fuel the significant investment into virtual care ventures by private investors, in addition to well-funded public companies that are moving swiftly into the market, such as CVS, Best Buy, and Amazon. Congress stopped short of making these changes permanent, instead opting to analyze and report on the impact of telemedicine.

For more detail, click [here](#) or start on page 1439 of the new law.

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