



CMS Releases CY 2023 Medicare Physician Fee Schedule Proposed Rule



Jacob Schiferl, PhD
813.535.6305 • jacob.schiferl@wakely.com

Dagny Grillis, FSA, MAAA, PhD
727.259.6784 • dagny.grillis@wakely.com

Julie Steiner
720.221.9609 • julie.steiner@wakely.com

Executive Summary

On July 7, 2022, the U.S. Centers for Medicare and Medicaid Services (CMS) issued the calendar year (CY) [2023 Medicare Physician Fee Schedule \(MPFS\) Proposed Rule](#),¹ which describes potential changes to the fee schedule starting next year. Below is a summary of important CMS proposed changes that are likely to impact physicians in 2023, together with Wakely's analysis of prospective rate changes using national Medicare Fee-for-Service (FFS) data and the Wakely Medicare Repricing Analysis Tool (WMRAT). If the CY 2023 proposed changes become final, then the average Medicare reimbursement for physicians will decrease by approximately 2.9% from the prior year.

Key observations from the proposed rule and our analysis include:

- The conversion factor is set to decrease by 4.4% from \$34.61 in 2022 to \$33.08 in 2023. The decline is driven mainly by the expiration of the one-year 3% payment boost provided by Congress for CY 2022.
- Relative Value Unit (RVU) factors are slated to change in CY 2023, but the effects vary by provider specialty. Based on Wakely's analysis, the net effect of these changes result in an overall increase to RVUs of 1.6% – 1.8%, partially offsetting the reduction in the conversion factor. Moreover, the proposed adjustments to RVUs for CY 2023 appear to decrease payments for specialty practices more than primary care and general services. If the proposed rule is made final, radiology, cardiology, and physical therapy are expected to be impacted significantly with decreases in payments ranging from 4% to 6% while payments for internal medicine and nurse practitioners are only expected to decrease by about 0.5%.
- As a requirement, CMS must update the Geographic Practice Cost Index (GPCI) values every three years. It is for this reason that there are a number of revisions to GPCI amounts in the CY 2023 proposed rule. The largest adjustments appear to affect the malpractice GPCIs (defined below) with some regions of the US experiencing double-digit impacts.

In 2023, the average Medicare reimbursement for physicians will decrease by approximately 2.9%.

¹ Comments regarding the proposed rule are due to CMS by 5pm on September 6, 2022.

Conversion Factor Decreases by 4.42%

The conversion factor is a simple multiplier applied to the RVUs and GPCI adjustments to determine payment rates to services that are part of the MPFS. CMS proposes a conversion factor of \$33.0775 for CY 2023, a 4.42% reduction from the \$34.6062 conversion factor for CY 2022. The change is driven by the expiration of the 3% increase in payments provided by Congress for 2022, a 0% statutory factor update, and the required RVU-driven budget neutrality adjustment.

The table below summarizes the mathematical build-up of the proposed CY 2023 Conversion Factor.

Table 1 – CY 2023 Proposed Conversion Factor Build-up

Step in Build-Up	Value	Description
CY 2022 Conversion Factor	\$34.6062 (a)	
Expiration of the Temporary 3% Increase for CY 2022	0.970874 (b)	
Statutory Update Factor (no update)	1.0000 (c)	
CY 2023 RVU Budget Neutrality Adjustment Factor	0.984501 (d)	
Resulting CY 2023 Conversion Factor	\$33.0775 (e) = (a) x (b) x (c) x (d)	

Geographic Changes

GPCI factors are used to address geographic variation by locality for Medicare physician reimbursement and are updated every three years. GPCI factors are due for an update in CY 2023. Wakely reviewed the proposed GPICs in the [CY 2023 MPFS Proposed Rule Addenda](#) and found that the largest changes occurred in the malpractice expense² (ME) factors while physician work and practice expense GPICs did not experience very notable impacts.

Changes for ME GPICs were found to vary drastically by region in direction and amplitude. The proposed change to ME GPICs range between a 22.5% reduction (Queens, New York) to 36.2% increase (Beaumont, Texas) when compared with the current calendar year while some other localities are expected to see little change. These changes in GPCI factors may have significant impacts to specific provider specialty groups in particular locations.

Relative Value Unit Changes

RVUs are used to establish relative payment amounts across a variety of services and are updated annually. MPFS uses published RVUs by procedure code, including modifiers, in combination with the conversion factor and GPICs to determine reimbursements. CMS has published the Proposed CY 2023 physician work, facility and non-facility practice expense, and malpractice expense RVUs in the [CY 2023 MPFS Proposed Rule Addenda](#).

² This is a measurement of the geographic difference in physician malpractice insurance premiums.

Wakely used the 2021 Medicare 5% Sample Limited Data Sets (LDS) to analyze the impact of RVU changes that could result from both the CY 2022 MPFS Final Rule and the CY 2023 MPFS Proposed Rule. We filtered the data to only include FFS claims and removed claims associated with Ambulatory Surgery Centers (ASC).

We repriced all claims in the 2021 LDS carrier file using WMRAT along with Medicare fee schedules for the 2022 Final Rule and the 2023 Proposed Rule. Facility and non-facility rates were applied based on the fee schedule's standard place of service groupings. Multiple Procedure Payment Reduction (MPPR) adjustments were excluded as the 2023 Proposed Rule Addenda does not have the level of detail needed to perform MPPR adjustments. We limited our analysis to claims repriced under MPFS that had procedure codes that appeared on both the CY 2022 Final Rule and CY 2023 Proposed Rule fee schedules. We did not reprice claims falling under the clinical laboratory, durable medical equipment, anesthesia, ambulance, or Part B Rx fee schedules.

Table 2 is a summary of the proposed physician payment changes from 2022 to 2023 for the top 30 provider specialties sorted by allowed dollars. For a more detailed summary including all provider specialties, see Appendix A.

Table 2: Summary of MPFS Proposed Rate Changes from 2022 to 2023 by Provider Specialty³

Provider Specialty Code	Provider Specialty Description	2021 LDS Allowed Amount	2022 Final Unit Cost	2023 Proposed Unit Cost	2023 Proposed/2022 Final Change
11	Internal medicine	\$415,602,417	\$100.08	\$99.56	-0.5%
08	Family practice	\$273,556,556	\$96.83	\$94.58	-2.3%
18	Ophthalmology	\$242,196,240	\$115.25	\$111.60	-3.2%
30	Diagnostic radiology	\$238,366,977	\$53.16	\$49.99	-6.0%
06	Cardiology	\$225,856,501	\$91.14	\$87.45	-4.0%
50	Nurse practitioner	\$217,711,865	\$75.53	\$75.14	-0.5%
07	Dermatology	\$175,702,885	\$94.05	\$91.11	-3.1%
65	Physical therapist	\$174,631,720	\$32.86	\$31.59	-3.8%
20	Orthopedic surgery	\$170,050,614	\$155.04	\$150.15	-3.2%
93	Emergency medicine	\$126,727,047	\$123.47	\$119.73	-3.0%
97	Physician assistant	\$125,770,951	\$74.65	\$72.84	-2.4%
39	Nephrology	\$100,667,537	\$147.23	\$144.78	-1.7%
48	Podiatry	\$94,516,637	\$76.63	\$73.49	-4.1%
34	Urology	\$87,126,321	\$127.72	\$122.38	-4.2%
92	Radiation oncology	\$83,164,278	\$151.32	\$145.64	-3.8%
02	General surgery	\$79,764,774	\$192.06	\$186.10	-3.1%
10	Gastroenterology	\$76,892,608	\$136.14	\$131.93	-3.1%
29	Pulmonary disease	\$70,065,914	\$102.37	\$101.29	-1.1%
13	Neurology	\$69,037,083	\$124.88	\$120.57	-3.5%
83	Hematology/oncology	\$63,199,592	\$89.61	\$86.23	-3.8%
22	Pathology	\$59,172,817	\$47.86	\$46.22	-3.4%
04	Otolaryngology	\$58,055,232	\$90.93	\$87.68	-3.6%
77	Vascular surgery	\$56,568,584	\$256.75	\$241.46	-6.0%

³ Note that the mix of place of service (facility/non-facility), mix of services, and mix in geographic area in the data may impact results in Table 2.

Provider Specialty Code	Provider Specialty Description	2021 LDS Allowed Amount	2022 Final Unit Cost	2023 Proposed Unit Cost	2023 Proposed/2022 Final Change
25	Physical medicine and rehabilitation	\$53,572,670	\$97.66	\$97.33	-0.3%
26	Psychiatry	\$45,426,461	\$95.41	\$94.54	-0.9%
68	Clinical psychologist	\$37,518,582	\$107.82	\$102.32	-5.1%
14	Neurosurgery	\$36,346,680	\$321.52	\$312.33	-2.9%
21	Pathologic anatomy/clinical pathology	\$35,491,851	\$86.18	\$80.58	-6.5%
47	Independent Diagnostic Testing Facility	\$34,232,100	\$160.25	\$150.43	-6.1%
35	Chiropractic	\$33,203,008	\$37.80	\$36.71	-2.9%
N/A	All Other Specialties	\$664,087,125	\$89.25	\$86.77	-2.8%
TOTAL					-2.9%

According to Wakely's analysis, nearly all physicians should expect a decrease in Medicare payment amounts for 2023. There are a few exceptions including Infectious Disease and Geriatric Medicine which are slated to experience a 1.8% and 0.7% payment increase, respectively. However on average, physician reimbursements will decrease by 2.9%, but impacts vary widely by provider specialty. Decreases in payment for some of the major provider specialties range from around 6% for Diagnostic Radiology, Vascular Surgery, Clinical Pathology, and Independent Diagnostic Testing to less than 1% for Internal Medicine, Nurse Practitioners, and Physical Medicine and Rehabilitation.

In addition to provider specialty, using 2021 LDS and WMRAT to analyze changes to payments by specific procedures reveals some notable proposed variations for 2023. As part of the Evaluation and Management (E/M) revisions, which were initiated in CY 2021 for Office/Outpatient settings, procedure codes billed by physicians significantly impacted by the Public Health Emergency (PHE) are anticipated to receive increased payments. As shown in Table 3, average payments for procedure codes 99231–99233 and 99308–99316, which are related to subsequent hospital and nursing facility E/M care, are expected to receive increases between 5% and 25% in 2023.

Table 3: Summary of MPFS Proposed Rate Changes from 2022 to 2023 for Subsequent Hospital and Nursing Facility E/M Procedure Codes

Procedure Code	2021 LDS Allowed Amount	2022 Final Unit Cost	2023 Proposed Unit Cost	2023 Proposed/2022 Final Change
99231	\$9,107,008	\$38.17	\$47.54	24.6%
99232	\$129,494,339	\$71.35	\$77.79	9.0%
99233	\$129,000,143	\$103.14	\$116.52	13.0%
99308	\$31,300,104	\$66.25	\$69.48	4.9%
99309	\$39,426,297	\$84.89	\$98.10	15.6%
99310	\$9,816,792	\$122.94	\$137.91	12.2%
99315	\$571,690	\$68.61	\$75.57	10.2%

Procedure Code	2021 LDS Allowed Amount	2022 Final Unit Cost	2023 Proposed Unit Cost	2023 Proposed/2022 Final Change
99316	\$1,647,400	\$96.17	\$118.54	23.3%

The 2023 proposed rule also included a significant revision to the Emergency Department (ED) E/M code 99281. The description was altered such that the presence of a physician or other health care professional is no longer required for a level 1 Emergency Room (ER) visit. Due to this change, this ER procedure also received a large payment reduction of 51% from the prior year. However, level 2 through level 5 ER visits (procedure codes 99282–99285) received comparably minor reductions averaging between 3% and 5% as shown in Table 4.

Table 4: Summary of MPFS Proposed Rate Changes from 2022 to 2023 for Emergency Department E/M Procedure Codes

Procedure Code	2021 LDS Allowed Amount	2022 Final Unit Cost	2023 Proposed Unit Cost	2023 Proposed/2022 Final Change
99281	\$55,814	\$21.33	\$10.50	-50.8%
99282	\$588,547	\$41.71	\$39.84	-4.5%
99283	\$6,714,679	\$70.85	\$67.74	-4.4%
99284	\$23,596,806	\$120.60	\$116.84	-3.1%
99285	\$80,452,844	\$177.62	\$172.71	-2.8%

For further information on the proposed change in physician payments scheduled for 2023, refer to Appendix B for a detailed assessment by bodily system and Appendix C for a summary by top procedure codes.

Other Changes in Reimbursement

In addition to changes published in the fee schedules themselves, there are two other significant payment reductions of note:

- 1) The annual Medicare payment 2% sequestration cut resumed in July 2022 and is expected to be in effect through fiscal year 2031.
- 2) The Statutory Pay-As-You-Go (PAYGO) Act of 2010 established a PAYGO sequestration of up to 4% that is triggered when legislation is passed with spending that increases the federal budget deficit. In March 2021, the American Rescue Plan Act (ARPA) was passed with COVID relief spending that triggered a 4% PAYGO cut originally scheduled for 2022. While this cut was temporarily delayed in 2022, without action from Congress, payment for all Part A and B claims will be reduced by 4% beginning in 2023.

The combined impact of the sequestration cut (2%) and PAYGO reduction (4%) is potentially a 6% reduction to Part A and B Medicare payment. This is on top of the 2.9% decrease modeled above due to conversion factor, GPCI, and RVU changes for a total potential reduction in physician payments of 8.9%.

In addition to the payment rate updates, CMS shared in a [spotlight](#) other key provisions for the proposed CY 2023 fee schedule. Comments regarding these proposed changes are due to CMS by 5pm on September 6, 2022. Wakely will be watching closely for which proposed changes are finalized and how the factors impacting Medicare FFS reimbursement will potentially change when the CY 2023 MPFS Final Rule is published later this year.

Disclosures and Limitations

We have relied on published data from CMS for the Medicare 5% Sample Limited Data Set and for the CY 2022 Final and CY 2023 Proposed MPFS. We have reviewed the data for reasonableness but have not performed any independent audit or otherwise verified the accuracy of the data/information. Wakely did not make any adjustments or changes to published data. If the underlying information is incomplete or inaccurate, our estimates may be impacted, potentially significantly.

The assumptions and resulting estimates included in this analysis are inherently uncertain. Users of the results should be qualified to use it and understand the results and the inherent uncertainty.

No trends or completion factors have been applied to the allowed or repriced amounts, and we calculated repriced amounts gross sequestration (i.e. no adjustments to net it out). In addition, we made no adjustment for MACRA/MIPS in our calculations. Furthermore, some HCPCS codes are not present in the Physician Fee Schedule National Payment File due to not being covered by Medicare but have RVUs and GPICs included in the Medicare Physician Fee Schedule. For these codes, we utilized the RVUs and GPICs to calculate a repriced amount.

This paper and the analysis contained herein are based on our interpretation and understanding of CMS' published guidance as of July 7, 2022. Results may vary significantly from the CY 2023 MPFS Final Rule, and other federal statutory or regulatory changes may result in further changes.

Wakely Medicare Repricing Analysis Tool

At Wakely, we use our Wakely Medicare Repricing Analysis Tool (WMRAT) to assist clients in repricing medical claims to Medicare FFS rates. Comparing medical claim allowed amounts to Medicare FFS rates is a common practice across the industry, as this analysis provides a useful benchmark for payers to better understand their data and payment practices and for providers to more easily analyze how they are being reimbursed. WMRAT offers a common language for comparing payment rates across multiple lines of business, categories of service, geographic locations, and providers.

Medicare FFS payments are based on a complex set of rules that change frequently and the logic and results can be nuanced. Whether you are interested in creating pricing assumptions, negotiating more competitive contracts, validating internal payment procedures, or setting up new capitation arrangements,

Wakely's Medicare Repricing team can work quickly to assist you with understanding how your medical claims payments compare to Medicare FFS rates and how Medicare fee schedules from different years impact your data. Wakely has Medicare Repricing capabilities for payment systems such as the Inpatient Prospective Payment System (IPPS), Outpatient Prospective Payment System (OPPS), Physician and other Professional fee schedules, Federally Qualified Health Centers (FQHC), Ambulatory Surgical Centers (ASC), and more.

For more information about Wakely's capabilities in this area, please contact Jacob Schiferl at jacob.schiferl@wakely.com, Dagny Grillis at dagny.grillis@wakely.com, or Julie Steiner at julie.steiner@wakely.com with any questions or to follow up on any of the concepts presented here, or reach out to the WMRAT team for a demo at WMRATSupport@wakely.com.⁴

⁴ For more information, please visit our website at: <https://www.wakely.com/services/product/wakely-medicare-repricing-analysis-tool-wmrat>

OUR STORY

Five decades. Wakely began in 1969 and eventually evolved into several successful divisions. In 1999, the actuarial arm became the current-day Wakely Consulting Group, LLC, which specializes in providing actuarial expertise in the healthcare industry. Today, there are few healthcare topics our actuaries cannot tackle.

Wakely is now a subsidiary of Health Management Associates. HMA is an independent, national research and consulting firm specializing in publicly funded healthcare and human services policy, programs, financing, and evaluation. We serve government, public and private providers, health systems, health plans, community-based organizations, institutional investors, foundations, and associations. Every client matters. Every client gets our best. With more than 20 offices and over 400 multidisciplinary consultants coast to coast, our expertise, our services, and our team are always within client reach.

Broad healthcare knowledge. Wakely is experienced in all facets of the healthcare industry, from carriers to providers to governmental agencies. Our employees excel at providing solutions to parties across the spectrum.

Your advocate. Our actuarial experts and policy analysts continually monitor and analyze potential changes to inform our clients' strategies – and propel their success.

Our Vision: To partner with clients to drive business growth, accelerate success, and propel the health care industry forward.

Our Mission: We empower our unique team to serve as trusted advisors with a foundation of robust data, advanced analytics, and a comprehensive understanding of the health care industry.

Going Beyond the Numbers

Learn more about Wakely Consulting Group at www.wakely.com

Appendix A

Table A - Detailed Summary of Proposed MPFS Rate Changes from 2022 to 2023 by Provider Specialty⁵

Provider Specialty Code	Provider Specialty Description	2021 LDS Allowed Amount	2022 Final Unit Cost	2023 Proposed Unit Cost	2023 Proposed /2022 Final Change
11	Internal medicine	\$415,602,417	\$100.08	\$99.56	-0.5%
08	Family practice	\$273,556,556	\$96.83	\$94.58	-2.3%
18	Ophthalmology	\$242,196,240	\$115.25	\$111.60	-3.2%
30	Diagnostic radiology	\$238,366,977	\$53.16	\$49.99	-6.0%
06	Cardiology	\$225,856,501	\$91.14	\$87.45	-4.0%
50	Nurse practitioner	\$217,711,865	\$75.53	\$75.14	-0.5%
07	Dermatology	\$175,702,885	\$94.05	\$91.11	-3.1%
65	Physical therapist	\$174,631,720	\$32.86	\$31.59	-3.8%
20	Orthopedic surgery	\$170,050,614	\$155.04	\$150.15	-3.2%
93	Emergency medicine	\$126,727,047	\$123.47	\$119.73	-3.0%
97	Physician assistant	\$125,770,951	\$74.65	\$72.84	-2.4%
39	Nephrology	\$100,667,537	\$147.23	\$144.78	-1.7%
48	Podiatry	\$94,516,637	\$76.63	\$73.49	-4.1%
34	Urology	\$87,126,321	\$127.72	\$122.38	-4.2%
92	Radiation oncology	\$83,164,278	\$151.32	\$145.64	-3.8%
02	General surgery	\$79,764,774	\$192.06	\$186.10	-3.1%
10	Gastroenterology	\$76,892,608	\$136.14	\$131.93	-3.1%
29	Pulmonary disease	\$70,065,914	\$102.37	\$101.29	-1.1%
13	Neurology	\$69,037,083	\$124.88	\$120.57	-3.5%
83	Hematology/oncology	\$63,199,592	\$89.61	\$86.23	-3.8%
22	Pathology	\$59,172,817	\$47.86	\$46.22	-3.4%
04	Otolaryngology	\$58,055,232	\$90.93	\$87.68	-3.6%
77	Vascular surgery	\$56,568,584	\$256.75	\$241.46	-6.0%
25	Physical medicine and rehabilitation	\$53,572,670	\$97.66	\$97.33	-0.3%
26	Psychiatry	\$45,426,461	\$95.41	\$94.54	-0.9%
68	Clinical psychologist	\$37,518,582	\$107.82	\$102.32	-5.1%
14	Neurosurgery	\$36,346,680	\$321.52	\$312.33	-2.9%

⁵ Table A includes the payment rate impacts by provider specialties in the 2021 LDS data, sorted by allowed dollars. Note that the mix of place of service (facility/non-facility), mix of services, and mix in geographic area in the data may impact results in Table A.

Provider Specialty Code	Provider Specialty Description	2021 LDS Allowed Amount	2022 Final Unit Cost	2023 Proposed Unit Cost	2023 Proposed /2022 Final Change
21	Pathologic anatomy/clinical pathology	\$35,491,851	\$86.18	\$80.58	-6.5%
47	Independent Diagnostic Testing Facility	\$34,232,100	\$160.25	\$150.43	-6.1%
35	Chiropractic	\$33,203,008	\$37.80	\$36.71	-2.9%
80	Licensed clinical social worker	\$31,542,588	\$88.26	\$83.77	-5.1%
69	Clinical laboratory	\$30,892,551	\$61.96	\$59.75	-3.6%
44	Infectious disease	\$29,691,596	\$98.75	\$100.53	1.8%
05	Anesthesiology	\$28,786,676	\$97.55	\$94.47	-3.2%
66	Rheumatology	\$27,078,304	\$95.47	\$91.38	-4.3%
46	Endocrinology	\$26,496,145	\$111.00	\$107.74	-2.9%
16	Obstetrics/gynecology	\$24,949,819	\$111.89	\$107.70	-3.7%
72	Pain Management	\$24,902,803	\$120.39	\$115.81	-3.8%
94	Interventional radiology	\$24,369,657	\$147.32	\$137.73	-6.5%
90	Medical oncology	\$19,847,131	\$91.94	\$88.41	-3.8%
09	Interventional Pain Management	\$19,502,049	\$125.87	\$120.66	-4.1%
81	Critical care	\$17,466,182	\$137.96	\$135.95	-1.5%
67	Occupational therapist	\$16,155,536	\$35.10	\$33.62	-4.2%
33	Thoracic surgery	\$15,993,584	\$393.90	\$378.25	-4.0%
24	Plastic and reconstructive surgery	\$15,299,914	\$218.69	\$212.35	-2.9%
01	General practice	\$13,948,540	\$95.17	\$93.01	-2.3%
40	Hand surgery	\$12,399,595	\$140.24	\$136.09	-3.0%
03	Allergy/immunology	\$11,517,464	\$17.54	\$16.83	-4.1%
78	Cardiac surgery	\$9,901,605	\$410.69	\$394.14	-4.0%
38	Geriatric medicine	\$8,213,008	\$102.79	\$103.52	0.7%
28	Colorectal surgery	\$7,644,697	\$220.49	\$212.72	-3.5%
23	Peripheral vascular disease, medical or surgical	\$7,170,866	\$106.98	\$103.40	-3.3%
98	Gynecologist/oncologist	\$4,134,527	\$177.48	\$171.61	-3.3%
91	Surgical oncology	\$4,112,377	\$250.52	\$242.33	-3.3%
63	Portable X-ray supplier	\$3,659,068	\$21.05	\$20.75	-1.4%
64	Audiologist	\$3,385,633	\$34.49	\$33.03	-4.2%

Provider Specialty Code	Provider Specialty Description	2021 LDS Allowed Amount	2022 Final Unit Cost	2023 Proposed Unit Cost	2023 Proposed /2022 Final Change
15	Obstetrics	\$3,309,210	\$66.99	\$63.94	-4.5%
82	Hematology	\$3,293,002	\$100.45	\$98.12	-2.3%
17	Hospice and Palliative Care	\$3,240,688	\$114.81	\$113.53	-1.1%
C0	Sleep medicine	\$2,868,712	\$134.09	\$129.76	-3.2%
37	Pediatric medicine	\$2,809,601	\$83.59	\$81.52	-2.5%
89	Certified clinical nurse specialist	\$2,747,121	\$83.63	\$82.70	-1.1%
36	Nuclear medicine	\$2,640,910	\$82.60	\$77.97	-5.6%
19	Oral surgery	\$2,532,701	\$337.10	\$323.08	-4.2%
12	Osteopathic manipulative therapy	\$2,340,474	\$95.30	\$92.09	-3.4%
74	Radiation Therapy Centers	\$1,816,646	\$201.94	\$194.72	-3.6%
99	Unknown physician specialty	\$1,613,167	\$136.94	\$133.33	-2.6%
NA	Other	\$195,812,977	\$93.51	\$92.05	-1.6%
				TOTAL	-2.9%

Appendix B

Table B – Detailed Summary of Proposed MPFS Rate Changes from 2022 to 2023 by Bodily System⁶

Bodily System	2021 LDS Allowed Amount	2022 Final Unit Cost	2023 Proposed Unit Cost	2023 Proposed/2022 Final Change
Evaluation & Management	\$2,003,006,337	\$108.10	\$106.70	-1.3%
Medicine	\$773,539,724	\$49.76	\$47.44	-4.7%
Radiology	\$348,879,816	\$57.41	\$54.33	-5.4%
Integumentary System	\$223,245,780	\$90.80	\$87.80	-3.3%
Musculoskeletal System	\$160,356,178	\$245.57	\$238.17	-3.0%
Cardiovascular System	\$141,567,948	\$654.69	\$614.33	-6.2%
HCPCS	\$135,809,820	\$80.19	\$76.85	-4.2%
Pathology	\$97,260,055	\$51.95	\$50.15	-3.5%
Digestive System	\$73,275,478	\$253.60	\$244.79	-3.5%
Nervous System	\$69,957,694	\$198.21	\$191.89	-3.2%
Urinary System	\$38,654,712	\$145.27	\$138.67	-4.5%
Respiratory System	\$28,095,229	\$208.10	\$200.31	-3.7%
Female Genital System	\$7,800,775	\$347.25	\$335.81	-3.3%
Auditory System	\$6,081,289	\$65.86	\$63.91	-3.0%
Male Genital System	\$5,791,580	\$403.39	\$371.44	-7.9%
Hemic & Lymphatic Systems	\$3,489,230	\$246.94	\$239.16	-3.2%
Endocrine System	\$1,815,403	\$693.64	\$673.24	-2.9%
All Other Bodily Systems	\$105,656,582	\$163.81	\$159.37	-2.7%
			TOTAL	-2.9%

⁶ Table B includes the payment rate impacts by bodily systems in the 2021 LDS data, sorted by allowed dollars. Note that the mix of place of service (facility/non-facility), mix of services, and mix in geographic area in the data may impact results in Table B.

Appendix C

Table C - Detailed Summary of Proposed MPFS Rate Changes from 2022 to 2023 by Top Procedure Codes⁷

Procedure Code	2021 LDS Allowed Amount	2023 Proposed/2022 Final Change
99214	\$586,894,514	-3.2%
99213	\$319,142,863	-3.8%
99232	\$129,494,339	9.0%
99233	\$129,000,143	13.0%
99204	\$94,293,547	-3.2%
99215	\$90,639,213	-3.7%
99223	\$89,933,335	-13.8%
99285	\$80,452,844	-2.8%
97110	\$67,231,017	-3.4%
99291	\$66,676,264	-3.9%
92014	\$60,170,011	-3.4%
G0439	\$57,062,673	-3.9%
99203	\$51,971,652	-3.7%
88305	\$45,994,503	-2.2%
93306	\$40,134,380	-5.7%
66984	\$39,751,192	-2.4%
99309	\$39,426,297	15.6%
90837	\$37,426,625	-4.7%
97530	\$37,099,932	-4.5%
99222	\$33,836,820	-5.7%
99308	\$31,300,104	4.9%
99205	\$29,945,856	-3.6%
97112	\$29,685,598	-4.5%
90960	\$29,576,719	-4.4%
97140	\$28,482,381	-3.2%

⁷ Table C includes the top 25 procedure codes in the 2021 LDS data and their payment rate changes, sorted by allowed dollars. Note that the mix of place of service (facility/non-facility) and mix in geographic area in the data may impact results in Table C.