

## Reimbursement update

### 2023 update for subcutaneous cardiac rhythm monitor procedures

#### What's new?

Effective January 1, 2023 there are changes to the Medicare Physician Fee Schedule (MPFS), Ambulatory Surgical (ASC) Payment System & Outpatient Prospective Payment System (OPPS) impacting payment for subcutaneous cardiac rhythm monitor (SCRM) procedures - such as [LINQ II™ Insertable Cardiac Monitor \(ICM\)](#) - in the hospital outpatient, physician office, and ambulatory surgery center (ASC) settings.

The Final Rule released by CMS in November 2022 included a 9.1% payment cut for the insertion of SCRM in the physician office. Most of this decrease reflects the second of four planned annual practice expense relative value unit (RVU) reductions initiated in CY2022. Cumulatively, these cuts will result in an ~20% reduction from the 2021 MPFS rates.



In December 2022, Congress passed an Omnibus Appropriations bill which reduced the previously expected conversion factor reduction from -4.5% to -2.1% for calendar year 2023. This document incorporates the latest changes.

#### Contact

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## Summary of the changes

Medicare physician payment rates are decreasing due largely to Centers for Medicare & Medicaid Services (CMS) calculations mandated by legislation.

- SCRM insertions in the **hospital and ASC settings**:  
Physician payment rates will decrease by 1.7% compared to 2022, in line with overall CMS physician fee schedule decreases. Facility payments (which include device cost reimbursement) are paid separately. See Q5 below for more information on facility payment rates.
- SCRM insertions performed in the **office setting**:  
Physician payment rates (which includes device cost reimbursement) will decrease by 6.8% compared to 2022, resulting from changes in clinical labor inputs used to calculate the relative value units for practice expense and a 2.1% conversion factor reduction. Procedures with high supply and equipment costs (such as SCRM in-office insertions) are more impacted by the CMS payment changes.

CPT® code	Description	National unadjusted* physician payments in office (non-facility) <sup>1</sup>				National unadjusted* physician payments in hospital (facility) or ASC <sup>1</sup>			
		2022	2023	\$ change	% change	2022	2023	\$ change	% change
33285	Insertion subcutaneous cardiac rhythm monitor	\$4,745	\$4,421	(\$324)	-6.8%	\$89	\$88	(\$1)	-1.7%
33286	Removal subcutaneous cardiac rhythm monitor	\$138	\$134	(\$4)	-3.3%	\$88	\$86	(\$2)	-2.1%

Note: For a full description of the CPT® codes, please reference the AMA guidelines.

\*Unadjusted rates do not include sequestration or any other local payment adjustments.

## Frequently asked questions

### Q1: When is a SCRM procedure reimbursed with 'in-office' physician payment rates?

Physician payment rates are determined by a variety of factors including place of service (POS). Only SCRM insertion procedures that bill using POS 11 are considered 'in-office' procedures. Procedures performed in provider-based clinics are not eligible for in-office physician payment rates.

### Q2: Are these physician payment changes specific to SCRM procedures?

No. All procedure reimbursement rates are affected as a result of CMS updates to clinical labor inputs used to calculate the practice expense relative value units for MPFS services, updated for the first time in 20 years.

### Q3: Why are in-office SCRM procedure payments more significantly impacted compared to other places of service?

The CMS updates primarily impact procedures with high supply and equipment costs (such as in-office SCRM procedures) due to mechanisms built into the CMS physician fee schedule ensuring budget neutrality.

### Q4: What do these changes mean for patients with private insurance?

Physician payment rates for patients with private insurance are contractual and may or may not be affected by these changes.

### Q5: These 2022 to 2023 payment rate changes look different than information I received prior to December. Why is that?

Any estimations of Medicare physician payment rates prior to the Omnibus Appropriations spending bill (signed into law December 29, 2021) are outdated.

Medtronic Regional Economic Managers are available to ensure you have the most accurate information.

### Q6: Are there any changes to facility payments for SCRM procedures in 2023?

Yes. SCRM insertion and removal payments are changing for procedures performed in the **outpatient hospital & ASC** settings as shown in the table below.

Procedure	National unadjusted* facility payments in outpatient hospital (APC) <sup>2</sup>				National unadjusted* facility payments in ASC (CPT®) <sup>3</sup>			
	2022	2023	\$ change	% change	2022	2023	\$ change	% change
SCRM insertion (APC 5222, CPT® 33285)	\$8,332	\$8,163	(\$169)	-2.0%	\$7,201	\$7,047	(\$154)	-2.0%
SCRM removal (APC 5071, CPT® 33286)	\$636	\$649	\$13	+2.1%	\$322	\$338	\$16	4.8%

\*Unadjusted rates do not include sequestration or any other local payment adjustments.

SCRM insertion and removals performed in the **inpatient hospital** setting: the annual update for facility payment rates became effective on October 1, 2022. See 2023 Medicare Hospital Inpatient Changes for more information.

## References

<sup>1</sup> The Medicare Physician Fee Schedule (MPFS) 2023 National payment rates based on information published in the MPFS final rule CMS-1770-F and updates from the legislation signed on December 29, 2022.

PFS Federal Regulation Notices. cms.gov <https://www.cms.gov/medicare/medicare-fee-service-payment/physicianfeesched/pfs-federal-regulation-notices/cms-1770-f> Accessed January 10, 2022.

PFS Relative Value Files. cms.gov <https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/PhysicianFeeSched/PFS-Relative-Value-Files>

Local physician rates will vary based on location specific factors not reflected in this document. CMS may make adjustments to any or all of the data inputs from time to time.

<sup>2</sup> The OPFS 2023 National payment rates based on information published in the OPFS/ASC final rule CMS-1772-FC and corresponding Addendum B table which was released on November 1, 2022.

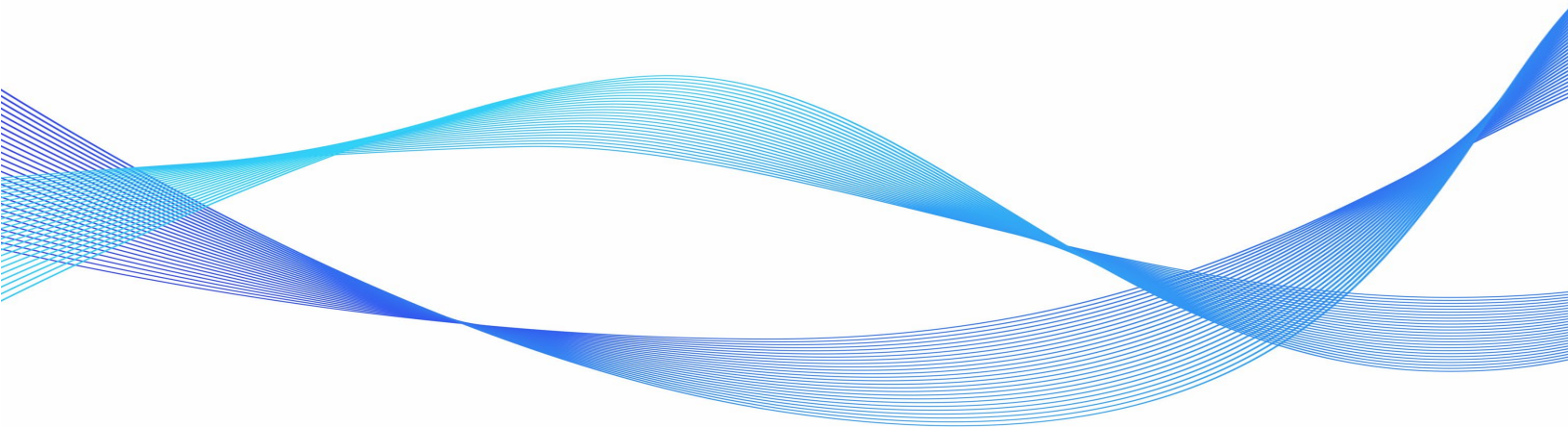
Hospital Outpatient Regulations and Notices. cms.gov. <https://www.cms.gov/medicare/medicare-fee-service-payment/hospitaloutpatientppshospital-outpatient-regulations-and-notices/cms-1772-fc> Accessed November 21, 2022.

Hospital specific rates will vary based on various hospital-specific factors not reflected in this document and CMS may make adjustments to any or all of the data inputs from time to time.

<sup>3</sup> The Ambulatory Surgical Center (ASC) ASC 2023 National payment rates based on information published in the OPFS/ASC final rule CMS-1772-FC, Addendum AA table which was released on November 1, 2022.

ASC Regulations and Notices. cms.gov <https://www.cms.gov/medicare/medicare-fee-service-payment/ascpaymentasc-regulations-and-notices/cms-1772-fc> Accessed November 21, 2022

ASC specific rates will vary based on various specific factors not reflected in this document and CMS may make adjustments to any or all of the data inputs from time to time.



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