HEADWINDS & TAILWINDS FOR PHYSICIANS AND PROVIDER GROUPS IN 2023

Physician & Provider Groups

Tailwinds

- Emerging opportunities for new, unique payment or partnership arrangements for provider groups
- Growing opportunities in the revenue cycle management space with provider group partnerships
- Recent waiver of the 4% Medicare Statutory Pay-As-You-Go Act of 2010 (PAYGO) cuts for 2023 and 2024 [CAA23]
- Permanent Medicare Part B coverage of and payment for in-home intravenous immunoglobulin starting in 2024 [CAA23]
- Removal of regulatory barriers that prevented hospital-employed physicians from accessing the hospital's mental health/substance use disorder programs [CAA23]

Headwinds

- Higher uninsured populations increase providers' exposure
- Recent unfavorable reimbursement changes include certain Medicare physician payment cuts; extending the Advanced Alternative Payment Model bonus for 1 year at a lower bonus payment rate; and extending the 2% Medicare sequester for the first 6 months of FY 2032 and revising the sequester percentage up to 2% for FY 2030 and 2031 [CAA23]
- Increased reimbursement pressure from out-of-network payment determinations due to surprise billing laws—particularly for emergency, facility-based, and ancillary services providers
- Upcoming regulations are expected to require industry-wide adoption of a standards-based API by providers, facilities, and payors to enable the transmission of good faith estimate data between providers, facilities, and payors pursuant to the No Surprises Act
- Potential need to adopt systems for electronic prior authorization
- Increased market-wide administrative and reimbursement pressure from implementation of the good faith estimate requirements and the patient-provider dispute resolution process
- Growing clinical personnel shortages
- Emerging scrutiny from advocacy groups regarding large medical groups' compliance with corporate practice of medicine laws
- Ongoing challenges and liability risks of providing reproductive healthcare services due to the rapidly evolving landscape of abortion laws
- New authorities permitting FDA to issue a use-specific ban on a medical device may increase agency scrutiny of off-label uses of medical devices by healthcare professionals [CAA23]

CAA23 = The Consolidated Appropriations Act, 2023
IRA = The Inflation Reduction Act

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