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Decreasing Trend in Medicare Physician Reimbursements for Surgical Management of Upper Extremity Nerve Conditions From 2002 to 2023

Purpose: The aim of this study is to investigate trends in Medicare physician reimbursements for the surgical management of upper extremity (UE) nerve conditions from 2002-2023.

Methods: A retrospective analysis of Medicare Physician Fee Schedule (MPFS) data from 2002 to 2023 was conducted to assess reimbursement rates for hand and UE peripheral nerve surgery procedures. Data on 24 common peripheral nerve injuries were gathered using Current Procedural Terminology (CPT) codes and the Medicare Physician Fee Schedule Look-Up Tool. Relative value units (RVUs) for work, practice expense, and malpractice were collected for each CPT code and adjusted to 2023 inflation using the general consumer price index. Descriptive analysis tracked annual changes in reimbursement rates for each CPT, adjusted to 2023 dollars. Compound annual growth rates (CAGR) were calculated to assess the annual rate of change. Sensitivity analysis was performed using Kruskal-Wallis tests. Statistical significance was set at the 0.05 level.

Results: The study found that the unadjusted average reimbursement increased from \$650.21 in 2002 to \$777.57 in 2023, representing a 19.39% price increase. However, when adjusted for 2023 inflation, there was a 29.51% decrease in the average price for all 23 procedures, with a compound annual growth rate (CAGR) of -1.68%. Reimbursement demonstrated an average decrease of 9.16% from 2002-2010, 1.18% from 2010-2014, 5.63% from 2014-2020, and 13.74% from 2020-2023. Over the study period, the consumer price index increased by 77.0%. Notably, there was an average increase of 7.23% in physician-based work RVU charges, an increase of 40.05% in facility based RVU charges, and an increase of 94.72% in malpractice based RVU charges.

Discussion: This study highlights a consistent 20-year decline in Medicare physician reimbursements for surgical management of UE nerve conditions, yielding valuable insights for policymakers and providers regarding resource allocation.