

Dermatology Coding Alert

2013 Payment: Last-Minute Congressional Vote Reverses Across-the-Board Pay Cuts

Medical societies still hopeful for new formula to halt this annual nail-biter.

As many podiatry practices are aware, medical offices nationwide were waiting until the end of 2012 to find out whether legislators would halt a 26.5 percent pay cut that the 2013 Fee Schedule predicted, which would have brought the 2013 conversion factor down to \$25.0008. In addition, practices were facing a two percent across-the-board sequestration cut that was set to hit Medicare providers' payment rates in early 2013.

Good news: On Jan. 1, Congress voted on the Middle Class Tax Relief Act, which reversed the 26.5 percent cut and froze Medicare payment rates through Dec. 31, 2013 with the 2013 conversion factor of 34.023. The bill also deferred the sequestration cuts for two months.

Although medical associations were relieved about the continuing Medicare payments for 2013, they lamented the fact that the government has not permanently fixed the problem by overhauling the sustainable growth rate (SGR) formula. "This patch temporarily alleviates the problem, but Congress' work is not complete," said AMA president **Jeremy Lazarus, MD**, in a statement. "It has simply delayed this massive, unsustainable cut for one year. Over the next months, it must act to eliminate this ongoing problem once and for all."

Other organizations took issue not only with Congress's inability to permanently fix the SGR, but also the source of the money that covered the temporary adjustment. The "one-year SGR 'doc fix' [was] paid in part by increasing the technical component (TC) equipment utilization threshold for advanced imaging modalities from the current 75 percent to 90 percent beginning Jan. 2014," the American College of Radiology (ACR) said in a statement.

"Reverting to continuous provider cuts to help pay for a morbidly flawed payment policy, in an environment that resembles more 'Alice in Wonderland' than 'Mr. Smith Goes to Washington,' is an embarrassment to our country and a disservice to our nation's seniors," said ACR Board of Chancellors Chair **Paul Ellenbogen, MD**, in a Jan. 2 statement. "These cuts will ultimately damage patient access to medical imaging care and may drive up long term costs by delaying diagnosis of illness and disease to later stages where more expansive, and expensive, treatments are required. This move by Congress represents a step backward in patient care."