

Dermatology Coding Alert

Fee Schedule: You Won't Face 27 Percent Medicare Cut for 2012

Congressional 10-month delay pushes payment formula problems to 2013.

For practices fearing the worst with potential Medicare cuts coming your way on March 1, Congress offered good news and bad news by coming to an agreement to address the looming pay cuts.

The good news: Under the agreement, you won't have to deal with a massive conversion factor cut that would have slashed the Medicare conversion factor from the current \$34.0376 to just \$24.6712, which was due to take effect on March 1.

The bad news: Although medical societies were abuzz with speculation that legislators were working to overhaul the Medicare payment formula system to avoid future reimbursement issues, that has not materialized. Instead, under the agreement, physicians will benefit from a pay freeze through the end of 2012, with hopes that Congress will find a way to repair the Medicare payment system before additional cuts kick in on Jan. 1, 2013.

"Congress had an opportunity to permanently end this problem, which is the sound, fiscally prudent policy choice," said AMA president **Peter W. Carmel, MD**, in a Feb. 15 statement. "We appreciate efforts by members of Congress on both sides of the aisle who publicly supported a framework for a permanent end to this perennial problem. We are deeply disappointed that Congress chose to just do another patch -- kicking the can, growing the problem and missing a clear opportunity to protect access to care for patients."

The agreement will freeze Medicare payment rates at the current amount through Dec. 31, 2012.