

Dermatology Coding Alert

News You Can Use: Welcome a 2.2 Percent Medicare Pay Boost For the Rest of This Year -- Finally

But the news isn't all good -- first, you faced a week of lower payments, and second, there's still no permanent fix.

For one week in June you faced substantially lower Medicare payments, due to a 21.29 percent cut that hit your Part B claims. Fortunately, the House of Representatives reversed those cuts on the evening of June 24, with a vote that also gives you a 2.2 percent pay increase through November 30.

Check Up on Claim Reprocessing

On June 18, 17 days' worth of claim holds expired, and with Congress slow to come to a legislative agreement, your practice paid the price after MACs began processing claims based on a conversion factor 21.29 percent lower than what you'd been collecting.

"CMS today directed contractors to lift the hold and begin processing June 1 and later MPFS claims under the law's negative update requirement," CMS said in a June 18 statement. "Held claims will be released and processed on a flow basis, first-in/first-out."

There's hope: It's unclear how many claims were processed using the lower conversion factor, but after the House voted through the 2.2 increase bill on June 24, CMS was expected to automatically reprocess claims that were paid based on the 21.29 percent cut. However, practices still worry about having to check up on those claims to ensure that they were reprocessed correctly.

If the submitted charge is equal to or higher than the new rate, the contractor will automatically reprocess the claim. If the submitted charge is lower than the new rate, you should call the contractor to ensure correct payment. A contractor will not increase the fees without a review request. In addition, you'll have to keep an eye on any secondary insurers' payments to ensure that adjustments are accurate across the board.

Hold Out Hope for Permanent Reform

While your payments are safe until November, physician advocacy organizations across the country and practices alike have expressed anger and uncertainty about this latest "fix." "Physicians are forced to make difficult practice changes to keep their practice doors open," said American Medical Association (AMA) President **Cecil B. Wilson** in a June 17 statement. In another statement, Wilson called the six-month delay "a very temporary reprieve" and added that "delaying the problem is not a solution. It doesn't solve the Medicare mess Congress has created with a long series of short-term Medicare patches over the last decade -- including four to avert the 2010 cut alone."

The AMA isn't the only physician group expressing disappointment. "This latest patch expires in November, just one month before the start of the next fiscal year for most medical groups," said **William F. Jessee, MD**, president and CEO of the Medical Group Management Association (MGMA). "It throws responsible business planning for 2011 into complete disarray and occurs exactly when physicians will make the difficult decision to participate in Medicare for the coming year." Not only were physicians stymied by Congressional inaction, but they were stunned by the way the new payments were rolling back the clocks by several years.

"The 21 percent pay cut that went into effect June 1 has pushed their Medicare compensation to levels they haven't seen since 1994," noted said **Lori Heim, MD**, president of the American Academy of Family Physicians in a June 23 statement.

"In addition to Medicare issues, the commercial payers have been playing games these past couple of years to make us work harder for payment of claims," Kater adds.

Going forward: President Obama urged lawmakers to permanently reform the Medicare payment formula so practices could avoid these issues in the future. "Kicking these cuts down the road just isn't an adequate solution to the problem," the President said in a June 24 statement. "The current system of recurring cuts and temporary fixes was passed into law more than 10 years ago. It's untenable."