

Dermatology Coding Alert

Part B Payment: Congress Offers 3-Month Reprieve on Conversion Factor Cuts

Plus: Government moves toward possible SGR repeal.

If you weren't looking forward to the 20+ percent conversion factor cut that was scheduled to hit on Jan. 1, a great holiday gift arrived from Congress late last year. On Dec. 19, Congress approved a 0.5 percent increase to Medicare payments (over 2013 payment amounts) instead of the huge conversion factor cuts that were supposed to take effect in January. Although the fix is only good through the end of March, that three month period could be just what the government needs to fix the Medicare payment system for good.

That's because Congress may actually be poised to eliminate the sustainable growth rate (SGR) formula and institute more modern payment systems for Medicare claims.

You May Say Goodbye to SGR

In December, the House of Representatives' Ways and Means Committee and the Senate Finance Committee approved a bill that would eliminate the SGR in favor of freezing or slightly increasing 2014 payments over the 2013 amounts until a more permanent solution to how to calculate Medicare pay could be devised, which would largely be based on physician performance.

"Reform is needed to maintain a viable fee-for-service system and an emphasis on value mirrors many private payer efforts," the House Ways and Means Committee said in its overview of the SGR repeal proposal. "While the duration and size of the payment rates to be set in statute are not yet determined, this phase will provide physicians time to transition to, and play a prominent role in, reforming the Medicare fee-for-service physician payment system."

Medical Societies Applaud Move

Needless to say, physicians have been thrilled with the news that the flawed Medicare payment system could finally get a facelift. "Today's strong, bipartisan votes by the Senate Finance and House Ways and Means committees, following similar action last July by the House Energy and Commerce Committee, shows that there is overwhelming, bipartisan support for ending SGR in a fiscally responsible manner and closing the book on the annual cycle of draconian Medicare physician payment cuts and short-term patches," said AMA President Ardis Dee Hoven, MD, in a Dec. 12 statement. "This long-overdue policy change provides the stability that physicians need to pursue delivery innovations that help improve patient care and reduce costs for American taxpayers."

The AMA urges physicians to contact Congress in support of the payment overhaul by visiting fixmedicarenow.org/physicians.

To read a summary of the House Ways and Means Committee's proposal, visit waysandmeans.house.gov/uploadedfiles/sgr_reform_short_summary_2013.pdf.