

## **Dermatology Coding Alert**

### **Part B Payment: Congress Votes to Overhaul Part B Payments**

**You'll no longer face potential payment drops at the beginning of each New Year.**

With almost no time to spare, Congress passed a new Medicare payment reform bill on April 14, which means you should never again have to worry about last-minute payment patches to keep your Part B payments flowing.

**Background:** Part B practices were dealing with a looming 21 percent reimbursement cut that was expected to take effect on April 1 but was later delayed until April 15. Instead of temporarily halting the pay cut through the end of the year like Congress has done 17 times in the past, legislators decided to permanently fix the Medicare payment formula this year instead of continuing to offer temporary fixes to the Sustainable Growth Rate (SGR) issue.

**House and Senate support bill:** The House of Representatives passed the bill by a large margin on March 26 and it moved into the Senate for confirmation, where it was approved on April 14. President Obama signed it into law on April 16.

#### **Increases Kick in July 1**

The Medicare and CHIP Reauthorization Act gives 0.5 percent annual boosts to your Medicare pay for almost five years starting in July, after which practitioners will get bonuses based on quality of care rather than the number of procedures administered. As for your current payments, you'll continue to collect based on the rates that were in effect from Jan. 1 through March 31, giving MACs and practices time to prepare their systems for the new payment formulas that will kick in on July 1.

**ICD-10:** Although some practices were expecting legislators to include language that would push ICD-10 implementation back another year, there was no ICD-10 delay included in the bill. Therefore, practices are still fully on track to implement the new diagnosis coding system on Oct. 1, 2015.

#### **Some Beneficiaries Pay More**

The cost of the new Medicare payment plan reportedly amounts to more than \$200 billion over the next decade, and some of that cost will be passed on to higher-earning Medicare beneficiaries. An amendment to the bill included a proposal that would have ended therapy caps, but that amendment was rejected, meaning that physical, occupational and speech therapists will continue to face reimbursement caps for their services.

Medical associations were very pleased with the outcome, allowing doctors to focus on offering patients care rather than continually worrying about payment patches. "Passage of this historic legislation finally brings an end to an era of uncertainty for Medicare beneficiaries and their physicians—facilitating the implementation of innovative care models that will improve care quality and lower costs," said the AMA's Executive Vice President and CEO, **James L. Madara, MD**, in a statement. "Patients will be able to get the care they need and deserve."

**Resource:** To read the complete text of the bill, visit [www.congress.gov/bill/114th-congress/house-bill/2/text](http://www.congress.gov/bill/114th-congress/house-bill/2/text).