

Dermatology Coding Alert

READER QUESTIONS: Breath Easier--Congress Freezes CF Payment Cuts

Question: There's so much talk about the 2007 physician fee schedule and whether we'll face large reductions in payments. Can you tell me what the latest news is?

Idaho Subscriber

Answer: The good news is that Congress acted at the very last minute to prevent a steep cut to your reimbursement in January.

The numbers: To keep the reimbursement rate the same, Congress approved a freeze, that if passed, will keep the conversion factor (CF) at the current 2006 rate of 37.8975 instead of decreasing it to the scheduled 2007 rate of 35.9848. "President Bush is expected to sign the measure in the next week," says **Robert B. Doherty**, senior vice president of governmental affairs and public policy for the American College of Physicians, in a press release.

Caution: A freeze, however, does not mean code payments will remain the same in 2007. The CF tells only part of the story. To calculate a code's payment, you also need to look at any changes to the code's work and practice expense (PE) relative value units (RVUs).

Bottom line: Not only does the new law eliminate your 5 percent pay cut for 2007, it also creates a fund to stabilize payments in 2008. Many physician organizations had been worried that Congress could get rid of the 2007 cut, only to end up with a 10 percent cut in 2008 to compensate.