

Optometry Coding & Billing Alert

News You Can Use: Expect Action on Medicare Payments After Jan. 31

Even if your payments are restored retroactively, will you be able to collect?

While Congress decides how much Medicare will pay physicians in 2006, you're stuck trying to figure out how much you should charge for your office's services. We're here to help.

In 2005, Medicare's unadjusted allowable payment for a comprehensive ophthalmological exam for a new patient was \$129.23. In 2006, the allowable is \$123.36 -- but Congressional action may reverse that reduction, bringing all of the allowable payments back up to 2005 levels.

After lobbying from the American Optometric Association and several other professional organizations, the House and the Senate both passed budget packages for 2006 that would have given Medicare providers and suppliers a pay freeze for 2006, instead of the 4.4 percent cut that was scheduled. But the Senate made minor changes to the House's legislation, as part of a move by Democrats to protest Medicaid changes. That meant the House needed to pass the legislation again -- and the House had already adjourned for the year.

The House isn't scheduled to come back until Jan. 31, so it won't be able to restore your payments until then, Washington insiders say.

That means you'll have at least a month during which you'll see much lower payments for all of your Medicare services -- absent the heavens opening and divine intervention coming into play, says Washington attorney William Sarraille with Sidley Brown Austin & Wood.

Look for Automatic Claims Reprocessing

When Congress does get around to scrapping the 4.4 percent cut, Sarraille hopes legislators make the change retroactive. But since Congress is trying to save every penny, there's no guarantee the cuts you endure in January won't be permanent.

If Congress does make the change retroactive, CMS will instruct its contractors to automatically reprocess the claims that have already been submitted for 2006, according to a Jan. 6 statement. Physicians and other providers will not need to resubmit their claims, the statement says.

Depending on when the final enactment of the legislation occurs, the retroactive reprocessing could include - approximately 80 million claims, - CMS estimates. -We expect that this reprocessing of claims would be completed by all contractors no later than July 1, 2006, - the agency says.

This leaves optometrists with a problem in the meantime: What should you charge for your procedures?

The best approach may be not to adjust your fees at all for now, says **David Gibson, OD, FAAO**, practicing optometrist in Lubbock, Texas. -If an increase for 2006 is approved, we won't receive anything more than the 2005 allowable for those patients we have already seen, as that is what we are currently using as a fee schedule, - he says. -Of course, if Congress changes the allowables to something higher than the 2006 levels, we will adjust our Medicare fees upward. If Congress doesn't adjust the Medicare fee schedule, then we will eventually lower our fees to Medicare to match the current 2006 allowables.-

