

## Optometry Coding & Billing Alert

### Prepare Now for Potential Mid-Year Medicare Fee Cuts

Make the most of PQRI reporting to bring in extra payment

Finding ways to streamline finances and bring in hard-earned money is always important, but with a potential pay cut looming, you can't afford not to take action.

Congress passed the Medicare, Medicaid and SCHIP Extension Act of 2007, replacing the scheduled 10.1 percent Medicare pay cut for 2008 with a 0.5 percent increase. This is a move welcomed by most optometrists and billers.

The catch: The law expires on June 30, so Medicare allowances for the remainder of 2008 are still up in the air.

Despite the congressional reprieve, however, you shouldn't take your attention off of the legislative wrangling that will be required to fix payments after June 30, says **Jean Acevedo, LHRM, CPC, CHC, PCS**, of Acevedo Consulting Inc. "They should be worried that come July 1, 2008, their reimbursement will drop to the 10.1 percent reduction," she says.

"We could be right back at square one this summer," agrees **Cyndee Weston**, executive director of the American Medical Billing Association in Sulphur, Okla.

Potential upside: "I've never seen Congress attempt just a six-month fix," Acevedo says. "Maybe the Senate is planning to tackle the core problem with the fee schedule between now and June. If so, that could actually be good news."

#### Decide How You'll Protect Your Practice

With the possibility of cuts still looming, your practice should develop an action plan to cope with the shortfalls you could see mid-year -- and beyond if Congress doesn't step in for 2009 as well.

Option 1: Consider not participating with Medicare, by either becoming a non-par provider or opting out of Medicare services all together and choosing to private contract with Medicare beneficiaries. The non-par allowable is slightly higher than the participating-doctor allowable, but carriers will encourage patients to see participating providers.

Option 2: Make some cuts in your office to compensate for potentially lost revenue.

Unfortunately, your practice may need to make up its losses in other areas. Sixty-seven percent of surveyed providers said they would defer the purchase of information technology, Weston says.

Option 3: Find new ways to add revenue. Participating in programs like the Physician Quality Reporting Initiative (PQRI) can help you supplement your current reimbursements. You can go to <http://www.aoa.org/PQRI.xml?AOAMember#Code> for more details on the program.

Bottom line: Enjoy the six-month fix, but don't lose sight of the bigger picture. Start preparing now to collect less from Medicare in July so you won't end up scrambling if a double-digit cut comes your way.