

Optometry Coding & Billing Alert

Regulatory Update: Payments Increase 1.5% for Physicians in 2004, 2005

Slated 4.5% cut averted by new Medicare bill

Higher reimbursements for the new year? Thankfully, yes! Congress passed historic Medicare legislation on Nov. 25 that will provide for a much-needed increase in physician payment rates.

"Passage of the Medicare bill is a historic victory for Medicare patients and their physicians," said American Medical Association President Donald J. Palmisano, MD, in a Nov. 25 press release. Insiders say the bill is now a cinch to be signed into law.

Without the new Medicare bill, the 2004 Physician Fee Schedule would have spelled financial trouble for physicians across the board. A general 4.5 percent decrease in reimbursement would have taken effect Jan. 1, 2004, and some specialties would have actually seen greater cuts.

The AMA had also voiced concern that Medicare patients would have an even more difficult time finding a provider who would see them. Many practices have already been forced to stop accepting new Medicare patients due to financial issues.

Prior concerns are now being dismissed in the wake of the new legislation. The Medicare bill will enhance "access to care for seniors by halting Medicare cuts to physicians and other health professionals for the next two years," Palmisano said. The new Medicare bill comes just in time to amend physician payments before the new fee schedule takes effect in 2004.