

Part B Insider (Multispecialty) Coding Alert

2009 BUDGET: Proposed Budget Cuts ASC, Outpatient Hospital and Hospice Pay

Plus, Bush's proposal makes beneficiaries pay more

When **President Bush** proposed \$178 billion in Medicare cuts over the next five years in his 2009 federal budget, healthcare practitioners braced themselves for the source of those cuts. Although Bush's budget hasn't yet been approved, the U.S. House of Representatives released a report outlining where those cuts would hit--and they will impact the wallets of almost everyone.

According to the **House Budget Committee's** Summary and Analysis of the President's 2009 Budget, released on Feb. 7, the \$178 billion will be culled from various aspects of the Medicare program over the next five years, with Part B providers impacted most as follows:

- Cut inpatient and outpatient hospital update: saves \$70.3 billion
- Cut SNF update: \$11 billion
- Cut hospice update: \$5.1 billion
- Cut ambulatory surgical center update: \$1.3 billion
- Competitive bidding for clinical lab services: \$2.3 billion
- Limit oxygen rental to 13 months: \$3 billion
- 60-Month end-stage renal disease (ESRD) Medicare secondary payer status: \$1.1 billion
- Establish income-related Medicare Part D premiums: \$3.2 billion
- Eliminate indexation of income-related Part B premium thresholds: \$2.6 billion
- Create 13-month power wheelchair rental period: \$0.7 billion

In a Feb. 15 statement, Sen. **Edward Kennedy** (D-Mass.) said, "The Administration has trumped up a phony crisis in Medicare to justify proposing deep cuts in quality health care for seniors while giving massive subsidies to HMOs and other insurance companies."

Healthcare practices may find their Medicare patients complaining as much as the physicians, thanks to the new income-based premium increases for both the Part B and Part D programs.

"The system may work if it graduates the premium based on where you (the beneficiary) live, but they don't indicate they're doing that," says **Barbara J. Cobuzzi, MBA, CPC-OTO, CPC-H, CPC-P, CPC-I, CHCC**, president of **CRN Healthcare Solutions**. A geographic indexing system is crucial to any income-based budget reform, Cobuzzi says, "because someone in Alabama and someone in New York City may make the same amount, but it doesn't mean they have the same disposable budget."