

## Part B Insider (Multispecialty) Coding Alert

### Legislation: Devil Is in Details of Medicare Reform Bills

By the time you read this, the House and Senate negotiators will be up to their necks in wrangling over the details of a final Medicare reform package that reconciles the very different bills both bodies passed at the end of June.

The conference committee, reportedly led by Ways and Means Chairman **Bill Thomas** (R-Calif.), will be concerned most of all with the big-picture issues like whether to allow insurance plans to compete directly with Medicare, as the House bill calls for, or to offer a smaller role to private insurers, as the Senate bill would require.

But physicians and their representatives will be watching to see how the Congress tackles a number of smaller issues that could have a huge impact on physicians.

These include:

1. 2004 updates. This Medicare reform bill could be physicians' only hope to avoid the 4.4 percent cut scheduled to hit their Medicare bottom line next year, especially since the **Centers for Medicare & Medicaid Services** isn't advocating a last-minute reprieve this time around. The House bill would turn this into a 1.5 percent increase for 2004, but the Senate bill offers no relief.
2. Regulatory reform. Both the House and Senate bills offer some provisions that physicians ought to welcome, says **Rich Trachtman**, director of congressional affairs with the **American College of Physicians**. Some of these were in a package of reforms that the House blessed way back in December 2001. "It's high time that this be cleared for the president," Trachtman insists.

The House bill includes a provision that would give providers up to five years to repay overpayments, Trachtman says. Another provision would prohibit the common practice of extrapolation, in which a carrier or other investigator takes a small sample of claims and then applies the error rate from those claims to a much larger "universe" of claims. The House bill would also require carriers to provide written responses to inquiries within 45 days of receiving them.

The Senate bill includes a provision that would require carriers to maintain a medical director in each state or "reasonable geographic area," Trachtman says. This "would go a long way toward reducing mistaken claims" and would improve communication between carriers and physicians. Right now, the law doesn't require carriers to have medical directors, much less one per state.