

Part B Insider (Multispecialty) Coding Alert

MEDICARE PAY: Congress Halts 21.2 Percent Pay Cut -- Until March 31

1-month extension of pay freeze was official March 2.

Although Feb. 28 came and went without word on whether Congress would step in to halt the 21.2 percent pay cuts that were due to take effect on March 1, lawmakers intervened after the fact, with a retroactive bill to freeze the conversion factor at \$36.0846 until March 31.

On March 2, 2010, President Obama signed the "Temporary Extension Act of 2010" into law, giving you another month before you have to face the pay cuts.

While the medical community waited for Congress to take this step, CMS had decided to hold claims for the first 10 business days of March, noted CMS's **Stewart Streimer** during a March 2 CMS Open Door Forum. The claims hold was intended "to make sure there is a continual flow of cash to the Medicare providers, and we do want to make sure that we're paying claims correctly," Streimer said.

After the pay freeze was extended through March 31, CMS issued a news release noting that "effective immediately, claims with dates of service March 1 and later which were being held by Medicare contractors will be released for processing and payment."

The release reminded providers "that the statutory payment floors still apply and, therefore, clean electronic claims cannot be paid before 14 calendar days after the date they are received by Medicare contractors (29 calendar days for clean paper claims)."

In addition to freezing the conversion factor, the one-month extension that the president signed also extends the therapy cap exceptions process through the end of March, according to **Maryann DiGiacomo** with the American Physical Therapy Association. "The KX modifier (Specific required documentation on file) is applicable until March 31," she tells Part B Insider.

Although the 30-day extension is good news for practices that were stressed about a potential 21 percent pay cut, it isn't a cure-all. "The Senate should use this time to permanently repeal the flawed Medicare physician payment formula that puts access to care for seniors and military families at risk," noted AMA President **J. James Rohack, MD**, in a March 3 statement.