

Part B Insider (Multispecialty) Coding Alert

Medicare Pay: Congress Halts Medicare Cuts After MACs Processed Claims With 21 Percent Discount

After a week of paying claims at 1994 levels, CMS will begin giving you a 2.2 percent financial boost.

MACs distributed substantially lower Medicare payments last week, due to a 21 percent cut that hit your Part B claims -- but the House of Representatives reversed those cuts on the evening of June 24, with a vote that will also give you a 2.2 percent pay increase through November 30.

On June 18, 17 days' worth of claim holds expired, and with Congress slow to come to a legislative agreement, your practices paid the price after MACs began processing claims based on a conversion factor 21 percent lower than what you'd been collecting. "CMS today directed contractors to lift the hold and begin processing June 1 and later MPFS claims under the law's negative update requirement," CMS said in a June 18 statement.

"Held claims will be released and processed on a flow basis, first-in/first-out."

It's unclear how many claims were processed using the lower conversion factor, but after the House voted through the 2.2 increase bill on June 24, CMS was expected to automatically reprocess claims that were paid based on the 21 percent cut. However, practices still worry about having to check up on those claims to ensure that they were reprocessed correctly. In addition, you'll have to keep an eye on any secondary insurers' payments to ensure that adjustments are accurate across the board.

Medical Societies Express Frustration

After physicians were left collecting the lower rates last week, practices and physician advocacy organizations across the country expressed anger.

"Physicians are forced to make difficult practice changes to keep their practice doors open," said AMA President **Cecil B. Wilson** in a June 17 statement. "Continued short-term actions are creating severe instability that harms seniors as physicians make decisions to protect their practices from Medicare's volatility. Continuing down this path just slaps a Band-Aid on a problem that needs urgent surgery," Wilson said.

Not only were physicians stymied by Congressional inaction, but they were stunned by the way the new payments were rolling back the clocks by several years. "The 21 percent pay cut that went into effect June 1 has pushed their Medicare compensation to levels they haven't seen since 1994," noted said **Lori Heim, MD**, president of the American Academy of Family Physicians in a June 23 statement.

President Obama urged lawmakers to permanently reform the Medicare payment formula so practices could avoid these issues in the future. "Kicking these cuts down the road just isn't an adequate solution to the problem," the President said in a June 24 statement. "The current system of recurring cuts and temporary fixes was passed into law more than 10 years ago. It's untenable."