

Part B Insider (Multispecialty) Coding Alert

MEDICARE PAY: Congress Puts Off 21 Percent Pay Cut Until June 1

But because legislators missed the cutoff by one day, some claims were processed using a lower rate.

Although the government appeared poised to take a big bite out of your next Part B payments, you have another month before you need to worry about losing pay. That's because the 21.2 percent Medicare pay cuts that practices have feared since January have been delayed until June 1.

Lawmakers returned from a two-week break on Monday and appeared ready to take up legislation that would extend the payment freeze until May 31 to prevent cuts to your Medicare pay, but passage of the bill did not immediately materialize. Although CMS had instructed MACs to hold claims for 10 business days as of April 1 in anticipation of a pay fix, that hold expired on April 14. Congress did eventually approve the bill, and the president signed it on the evening of April 15.

Still unclear is what MACs will do with claims that processed during the day on April 15. At that point, contractors were planning to pay claims with dates of service April 1 and thereafter using the 2010 conversion factor of \$28.4061. This represents a 21.2 percent cut against the \$36.0846 that you have been collecting. Because Congress has now retroactively changed the pay rate back to \$36.0846, any payers that reimbursed you using the lower rate will have to make up the difference.

Prior to the vote, CMS reps assured practices that if the Senate did vote to extend the pay freeze, that they could put it into effect swiftly. "We are prepared that if Congress acts, we will move very quickly to make the necessary changes," noted CMS's **Stewart Streimer** during an April 13 CMS Open Door Forum.

"Repeated delays and continued uncertainty, combined with the fact that Medicare payments, even without the 21 percent cut, have not kept up with the cost of providing care to seniors demonstrates the need for a permanent solution to this annual problem," noted the AMA in an April 16 statement.

Keep an eye on the Insider for more on the payment issues as the new May 31 deadline approaches.