

Part B Insider (Multispecialty) Coding Alert

Medicare Payment: 21 Percent Cut Continues to Loom, With May 31 Deadline Nearing

CMS instructs MACs to hold claims for ten business days while Congress mulls bill.

Impending cuts to your Medicare pay have been a familiar story this year, but hopefully you won't face a 21 percent payment drop while you're trying to enjoy your Memorial Day picnic.

Last month, Congress voted to extend freezing the conversion factor at 2009 levels so Part B practices wouldn't have to face a 21 percent cut to the conversion factor, which was supposed to go into effect on April 1. Once the president signed the extension into law, it meant that practices didn't have to worry about the Medicare cuts until June 1, in hopes that the government would find a more permanent solution to the pay cut crisis before the conversion factor freeze expires on May 31.

New Bill Could Put Off Cuts

The House Ways and Means Committee published the text of H.R. 4213, "The American Jobs and Closing Tax Loopholes Act of 2010," on its Web site on May 20. The bill would increase your payments through the end of this year, according to the text listed on the Committee's Web site, which states, "In lieu of the update to the single conversion factor ... that would otherwise apply for 2010 for the period beginning on June 1, 2010, and ending on December 31, 2010, the update to the single conversion factor shall be 1.3 percent." The bill also includes provisions that would ensure that additional cuts don't take place through 2013.

The American College of Physicians posted support for the bill on its Web site, but the AMA expressed disappointment. "An intervention to delay a looming Medicare physician payment cut will provide temporary stability for seniors and their physicians, but the AMA is deeply disappointed that Congress will once again fail to permanently correct the Medicare physician payment formula that Republican and Democrat members of Congress, President Obama, and policy experts have said should be repealed," said AMA President **J. James Rohack** in a May 20 statement.

"Lawmakers must realize that the underlying policy problem will return larger than ever in 2014," Rohack added.

Whether Congress takes up the bill before the May 31 deadline remains to be seen, but CMS assures practices that it will act quickly if such a law passes.

"Congress, we know, is working hard in terms of trying to develop a fix for June 1," said CMS's **Stewart Streimer** during a May 25 CMS Open Door Forum. "We're hoping for a Congressional action sometime this week, but we of course don't know for sure.

Regardless, we will be prepared as best we can to pay claims June 1, but at this point in time there's not much I can tell you until we see what the legislative landscape holds for us."

CMS Instructs MACs to Hold Claims

Until Congress sorts out the payment issue, CMS has instructed its contractors to hold claims for the first ten business days of June. "This hold will only affect Medicare Physician Fee Schedule claims with dates of service June 1, 2010 and later," a May 27 CMS email alert noted.

To read the full text of H.R. 4213, visit http://waysandmeans.house.gov/media/pdf/111/HWC_711_xml.pdf.

