

## Part B Insider (Multispecialty) Coding Alert

### Part B Pay: Impact of Sequester Cuts Won't Hit Medicare Until April

**Still, however, a two percent cut could damage your income significantly.**

If you've seen the news over the past few weeks, you know that the government faced across-the-board spending cuts effective March 1 due to Congress's failure to agree on a way to avert the \$85 billion budget reduction, referred to as "the sequester." Although most of the discussions on this topic sound like legalese, the bottom line is that Medicare payments will take a two percent hit, making this topic very significant to your practice's income. Fortunately, however, the two percent Medicare cuts that the sequester will create won't kick in until a month after the main sequestration reductions.

**The scoop:** Although the bulk of the government's cuts took place on March 1, the two percent Medicare reductions aren't actually scheduled to take effect until April 1, giving most analysts hope that once the impact of the other sequestration cuts are felt by the rest of the government programs on March 1, Congress will be quick to fix the problem before the Medicare cuts take effect. Essentially, Medicare providers are hoping that this extra month will buy time in which the government can come to an agreement to avert the entire sequestration program.

**Flashback:** The sequester was supposed to impact your payments at the beginning of 2013, but the Middle Class Tax Relief Act was passed on Jan. 1, delaying the sequester for two months. Most practices expected Congress to take that time to find ways to avert the cuts, which did not happen.

Not only will physicians face Medicare cuts, but so will hospitals and nursing facilities, meaning that much of the healthcare system could face financial hardship as a result of the cuts if they do take place.

Keep an eye on the Insider to find out if the cuts take place or whether Congress acts in time to avert them.