

Part B Insider (Multispecialty) Coding Alert

Part B Payment: CMS Tweaks 2011 Conversion Factor

Despite adjusted rate of 33.9764, changed RVUs should ensure that your payments will stay the same.

President Obama may have locked in a zero percent adjustment to your 2011 Medicare Part B payments last month, but that doesn't mean you'll be calculating your fees using last year's rates. In fact, the 2011 conversion factor is slightly lower this year than what you were collecting in 2010, according to an "emergency update" to the 2011 Fee Schedule that CMS issued on Dec. 3--but your payments shouldn't drop.

Your 2011 conversion factor will stand at 33.9764, "a net reduction of 7.86 percent from the 2010 conversion factor of 36.8729," said **Frank Cohen**, of The Frank Cohen Group, LLC in a Dec. 29 analysis of the change.

The Medicare and Medicaid Extenders Act of 2010, which was signed into law on Dec. 15, established a payment update for 2011 of zero percent. To cover the cost of the legislation, Medicare had to modify provisions in the proposed 2011 Medicare Physician Fee Schedule final rule, which altered some of the RVUs, as well as the conversion factor. However, as the conversion factor went down, most of the RVUs went up, ensuring that you shouldn't notice any payment woes over the changes.

For instance, the RVUs for outpatient E/M visit code 99212 will change from the 2010 rate of 1.08 to a higher rate of 1.22 in 2011. Multiplied by the conversion factors for their respective years, the payment for 99212 this year will still be higher than it was last year, despite this year's lower conversion factor (2010 payment was approximately \$39.82 compared to the 2011 payment of approximately \$41.45).

The emergency update also changes other factors in the fee schedule. For instance, it notes that the bilateral surgery indicator for code 27685 (Revision of lower leg tendon) is now 1, meaning that you can collect additional fees when the procedure is performed bilaterally, whereas it used to be 0, which meant that no payment adjustments were made if the procedure was performed bilaterally.

To read CMS's transmittal regarding the emergency update, visit <http://www.cms.gov/transmittals/downloads/R828OTN.pdf>.