

Part B Insider (Multispecialty) Coding Alert

Part B Payment: Congress in Apparent Deadlock Over Medicare Cuts, With 27 Percent Cut Looming

Effective March 1, you'll watch Medicare payments drop unless legislators come to an agreement.

It almost sounds like a broken record by now, but Part B practices are once again at risk of facing 27 percent cuts to Medicare payment in just a few weeks. That's because the government's short-term patch to the pay cuts only extends through Feb. 29--which means March 1 is the date that the conversion factor will drop from the current \$34.0376 to just \$24.6712, as prescribed in the 2012 Medicare Physician Fee Schedule Final Rule.

Background: Although the pay cut was supposed to kick in on Jan. 1, a Congressional vote on Dec. 23 allowed practices a reprieve through Feb. 29. It was expected that legislators would spend those two months addressing permanent solutions to the annual Medicare pay issues, but whether that has happened is a source of confusion.

Impasse: Current reports indicate that House and Senate negotiators are at an impasse about how to fix the Medicare payment system. Congressional members have released contradictory statements indicating that they had hoped to give physicians a pay increase, but disagreed on how to pay for it, with some legislators suggesting that such funds could come from cash previously used for the wars in Iraq and Afghanistan and others arguing that such a plan is untenable.

Physician advocacy groups, however, have grown tired of watching the same drama year after year, and called for a permanent solution to the problem. "There have been 13 short-term patches passed by Congress," said AMA

President **Peter W. Carmel, MD**, in a Jan. 23 statement. "These patches increase both the long-term cost to taxpayers and the severity of scheduled cuts to physicians who care for Medicare and TRICARE patients...Using funds that will not be needed as the wars wind down to eliminate the formula stops this cycle, protects access to care for patients and saves money for taxpayers."

With more and more physicians declaring that steep cuts will impact the number of Medicare patients that they are able to treat, the payment issue has become the number one issue facing seniors and medical practices.

Keep an eye on the Insider as the calendar inches toward Feb. 29 for further news on this topic.