

Part B Insider (Multispecialty) Coding Alert

Part B Payment: Congress Reaches Tentative Deal to Avert 27 Percent Medicare Cut

However, 10 month delay will only push payment formula problems to 2013.

If you were biting your nails waiting for news about potential Medicare cuts coming your way on March 1, Congress offered good news and bad news by coming to an agreement just before legislators took a week-long recess, reports out of the Capitol indicate.

The good news: Under the agreement (which as of press time had not been finalized), you won't have to deal with a massive conversion factor cut that would have slashed the Medicare conversion factor from the current \$34.0376 to just \$24.6712, which was due to take effect on March 1.

The bad news: Although medical societies were abuzz with speculation that legislators were working to overhaul the Medicare payment formula system to avoid future reimbursement issues, that has not materialized. Instead, under the agreement, physicians will benefit from a pay freeze through the end of 2012, with hopes that Congress will find a way to repair the Medicare payment system before additional cuts kick in on Jan. 1, 2013.

"Congress had an opportunity to permanently end this problem, which is the sound, fiscally prudent policy choice," said AMA president **Peter W. Carmel, MD**, in a Feb. 15 statement. "We appreciate efforts by members of Congress on both sides of the aisle who publicly supported a framework for a permanent end to this perennial problem. We are deeply disappointed that Congress chose to just do another patch -- kicking the can, growing the problem and missing a clear opportunity to protect access to care for patients."

The agreement will freeze Medicare payment rates at the current amount through Dec. 31, 2012. The deal was announced on Feb. 15, and the House and Senate were expected to vote on it by Feb. 17, CNN reported, although lawmakers had not yet voted as of the Insider's press time.