

Part B Insider (Multispecialty) Coding Alert

Part B Payment: Government's Debt Deal Could Hurt Your Medicare Pay

Medicare cuts are on the back burner for now, but will be on the docket if future cuts are needed.

The government worked long hours last weekend to create a debt ceiling deal to aid the country's fiscal issues, and the deal offered both good news and bad news for Medicare providers.

The agreement (which was signed into law on Aug. 2) does not impact Medicare pay as part of its first round of cuts, but if the government can't find anywhere else to save money down the road, round two will kick in--and that could lead to an automatic two percent cut to Medicare providers.

Those who worked on the deal--the White House and Congressional leaders-- have repeatedly announced that the deal will not affect benefits to Medicare and Medicaid recipients. However, if Medicare pay is cut another two percent on top of the already proposed 29.5 percent cuts that are due to take effect on Jan. 1, it's possible that many physicians will simply stop providing care to new Medicare patients, experts say.

"Data from a 2010 American Academy of Family Physicians (AAFP) survey show that a 25 percent Medicare pay cut -- five percent less than what is required on Jan. 1, 2012 -- would drive 13 percent of family physicians out of business," said AAFP president **Roland Goertz, MD, MBA**, in an Aug. 1 statement. "Moreover, according to the 2010 survey, more than seven in 10 family physicians would be forced to limit the number of Medicare patients they can accept and nearly 62 percent will be forced to stop accepting new Medicare patients. If our health care policy fails to ensure the financial viability of physician practices, preserving benefits does little good. In the end, many patients in need will go without care because there will be no one to see them."

In addition, hospital groups immediately decried the government's plan to potentially make steeper cuts to Medicare pay. "America's hospitals find it difficult to support a debt ceiling proposal that could negatively affect Medicare for our nation's seniors," said American Hospital Association president and CEO **Rich Umbendstock** in an Aug. 1 statement. "Hospitals have repeatedly demonstrated a willingness to accept shared sacrifice and do what is best for our country, but our first commitment is to patients, whose access to care could be curtailed by further cuts to Medicare funding for hospital care."