

Part B Insider (Multispecialty) Coding Alert

PART B PAYMENTS: Congress Mulls Short-Term Fix to Avert 21.29 Percent Pay Cut

Cuts to take effect in late March if proposal passes.

If a new bill introduced in the Senate takes effect, you may not be scrambling to find a way to make do with a 21.2 percent discount on your Part B payments -- at least not yet. With Medicare pay cuts scheduled to take effect this week (starting March 1), you don't have much wiggle room in waiting for Congress to repair the broken Medicare payment system. But although the government hasn't made any permanent changes to the sustainable growth rate (SGR) formula yet, it is attempting to extend your conversion factor freeze through March 28.

Senator Harry Reid (D-Nev.) proposed the "Temporary Extension Act of 2010" on Feb. 24. The Act would extend the conversion factor freeze for an additional 30 days, through March 28. Currently, the conversion factor of \$36.0846 is set to expire on Feb. 28.

Although a temporary fix would allow Part B providers another 30 days before they'd have to worry about losing 21 percent of their Medicare pay, most medical associations would rather the government find a solution to the SGR instead.

"Kicking the can down the road with yet another short-term action magnifies the problem and makes it very difficult for physicians to continue caring for seniors and military families," said AMA President J. **James Rohack, MD**, in a Feb. 22nd letter to members of Congress. Physicians, their staff members, and consultants would all suffer if the cuts take effect.

"A 21.2 percent Medicare pay cut would be devastating to physicians and other healthcare providers that are already squeezed financially by other carriers," says **Cyndee Weston**, executive director of the American Medical Billing Association.

If Congress does not intervene in some capacity, "the end result could be alarming," Weston tells the Insider. "Many providers will be forced to make tough choices and that may be not to continue participating with Medicare. As far as the pay cut, we all are too well aware that as Medicare goes, so go private insurers." Senator Reid's budget estimates for the Act can be found

at www.cbo.gov/ftpdocs/112xx/doc11257/TemporaryExtensionActof2010.pdf.