

Part B Insider (Multispecialty) Coding Alert

PHYSICIAN NOTES: AMA Reacts to Medicare Payment Cut Projections

Your Medicare payment woes may not end in July, according to one new Medicare report.

In a letter to MedPAC last week, **Jeffrey Rich** of the **CMS Center for Medicare Management** estimates that Medicare payments to physicians will drop by 10.6 percent below current levels on July 1, and by Jan. 1, 2009, will fall to 15.4 percent below current levels under the current payment formula.

Physicians, already hurting from the upcoming July pay cuts, were extremely disappointed by the news.

-If Congress does not take action before July 1, physicians caring for Medicare patients will be hit with a 10.6 percent payment cut,- said **Nancy Nielsen, MD**, the **AMA's** president-elect, in a statement. -Sixty percent of physicians say a cut of this magnitude will force them to limit the number of new Medicare patients they can treat, and more than half say it will force them to reduce their medical office staff.-

In turn, the AMA suggests that Congress -replace 18 months of looming Medicare physician payment cuts, which begin this July, with funded payment updates that reflect medical practice cost increases,- Nielsen said. -This sensible approach will give Congress time to work with physicians to legislate a solution to the long-term Medicare physician payment problem.-

To read Rich's Feb. 29 letter, visit www.nasl.org/Restricted_Access/2-29-08_CMS_Letter_to_MedPAC.pdf.

In other news-

If you're billing for routine foot care, you had better ensure that your documentation is spotless.

Last month, the OIG revealed its investigation of a podiatrist who performed mere toenail clippings in community rooms of low-income buildings, but billed Medicare as if he had performed complex procedures.

The podiatrist was sentenced to 24 months in prison and ordered to pay \$350,000 in restitution as part of his guilty plea to healthcare fraud.

To read the OIG's January 2008 Criminal Actions Report, visit www.oig.hhs.gov/80/fraud/enforcement/criminal/08/0108.htm.

CMS published the -Five Levels in the Appeals Process- last week, and if you're considering an appeal, keep the following five steps in mind:

1. Redetermination by a financial intermediary, carrier or MAC
2. Reconsideration by a qualified independent contractor (QIC)
3. An administrative law judge (ALJ) hearing
4. Review by the Medicare Appeals Council
5. Judicial review in U.S. District Court.

To read the document in its entirety, visit www.cms.hhs.gov/MLNProducts/downloads/MedicareAppealsProcess.pdf.

