

Part B Insider (Multispecialty) Coding Alert

Physician Notes: CMS Announces Whopping 4.5 Percent Cut to 2004 Physician Spending

Doctors pray for Medicare reform legislation to set it right

Forget about that 4.2 percent cut you've been dreading for 2004. The Centers for Medicare & Medicaid Services says the final number is even worse: a 4.5 percent drop across the board.

Unless Congress does something soon to avert disaster, physicians could see a massive drop in payments next year. CMS blames the "Sustainable Growth Rate" it calculates based on current physician spending and projected growth in the domestic economy, among other factors, for this drop.

And yet physician spending will still rise, from a projected \$48 billion this year to \$48.8 billion next year, or a 1.7 percent increase. As previously reported, CMS' physician cost formulae will give more weight to malpractice insurance costs than before.

CMS Administrator Tom Scully promised in a release that the agency would implement revised rates "as quickly as possible" if Congress passed a law changing the formula for 2004. The final rule will be published in the Nov. 7 Federal Register and take effect Jan. 1.

Some Republicans have been voicing fears that a Medicare drug bill seniors don't like much could be a political liability for the party in 2004 elections, but GOP pollster Bill McInturff told health reporters Oct. 20 that President Bush needs a bill, perfect or otherwise.

There will be a battle between the parties for seniors' votes next year, McInturff said. And so crucial are those seniors' votes that if congressional Republicans don't deliver a drug bill this year, they will have to return to the matter and produce at least modest drug assistance in 2004, McInturff said at a briefing sponsored by the nonpartisan Alliance for Health Reform and the Robert Wood Johnson Foundation.

You can bill for multiple tests on electronic claims as long as you submit appropriate service facility location information when services are rendered at different locations, and you remember to submit the appropriate total purchased service amounts for each test, the Centers for Medicare & Medicaid Services clarifies in Transmittal 6, dated Oct. 17.

A common working file edit flagging too many immunosuppressive drug claims should soon get fixed by carriers. An edit designed to weed out duplicate immunosuppressive drug claims isn't working properly, CMS states in Oct. 17 Transmittal No. 7. The problem: The edit sends out an alert whenever immunosuppressive drug claims are submitted along with other, non-immunosuppressive drugs on the same date of service by the same provider.