

Part B Insider (Multispecialty) Coding Alert

Physician Notes: Cost of Freezing Conversion Factor is Over \$6 Billion -- Just for 2010

Plus: The OIG recovered over \$1.5 billion in fiscal year 2009, and is on the lookout to collect more.

With less than two weeks to go before Medicare payments once again threaten to decrease by 21 percent, a new report sheds light on the financial outcome of Congressional actions.

Although the 2010 Physician Fee Schedule originally included a conversion factor that would have been 21 percent lower than the 2009 level, practices haven't felt that cut yet this year, because legislators have voted several times to freeze payments, which now use the conversion factor of \$36.0791. That freeze will expire on May 31, after which your Medicare payments will drop considerably unless Congress steps in once more.

However, one government entity's calculations show that the freeze is costly. According to a May 7 Congressional Budget Office report, freezing payments at the current levels for the rest of 2010 would cost the government \$6.5 billion. The AMA has turned up the heat on Congress to replace the current payment method, releasing a print ad aimed at Congress to demonstrate that "more delays of permanent reform now increase the cost for taxpayers," and that the association "calls on Congress to fix the flawed Medicare physician payment formula now."

Congress has not yet introduced a bill to extend the payment freeze past May 31. Keep an eye on the Insider for more information as this story develops.

To read the Congressional Budget Office's calculation sheet, visit www.cbo.gov/budget/factsheets/2010b/SGR-menu.pdf.