

## Part B Insider (Multispecialty) Coding Alert

### Physician Notes: Physician Pay Formula Is Broke - Will Congress Fix It?

#### Don't hold your breath, say Washington insiders

To physicians, the danger is about as clear and present as it could possibly get: Unless something changes sharply by January 2006, your reimbursement will dive off a cliff.

Because Congress has boosted physician pay in recent years without fixing the underlying formula which normally determines docs' pay rates, observers expect Medicare to slash physician pay by roughly 5 percent each year from 2006 to 2012. The only hope is for Congress to adjust the formula before then.

But don't expect Congress to move quickly to solve this nightmare, Capitol Hill sources tell PBI. The returning Congress will have a number of other priorities ahead.

The first opportunity for Congress to discuss the looming disaster will come in February, when legislators will hold hearings on the president's proposed budget for the **Department of Health and Human Services**, according to one Hill staffer. Expect to hear some questions about the disaster in the making at those hearings.

**CIGNA Corp. will pay \$19 million to settle lawsuits** filed by thousands of specialists, including podiatrists, psychologists and chiropractors. CIGNA is the first insurer to settle the class-action suit pending in Miami's U.S. District Court, while several other managed care plans remain plaintiffs. Physicians accused the plans of denying, delaying and downcoding payments of claims. CIGNA admitted no wrongdoing.

**The Centers for Medicare & Medicaid Services issued several new transmittals** affecting physicians. Change Request 3670, issued Dec. 30, clarifies the implementation of the chemotherapy demonstration project that will pay physicians for collecting information on pain control, nausea and fatigue. The carriers will accept G9021-G9032 throughout 2005 as long as the provider submits one code from each of the three areas.

Change Request 3411, issued Dec. 17, gives details on the new cardiovascular disease screening benefit. Carriers will cover the screening as long as you use ICD9 Codes V81.0-V81.2. Change Request 3638, issued Dec. 22, explains the new "Welcome to Medicare" exam, including billing requirements for new code G0344. Change Request 3595, issued Dec. 23, updates the Medicare physician fee schedule for several ESRD codes as well as the new chemotherapy demonstration codes.

Also, Change Request 3592, issued Dec. 23, further clarifies CMS' position on arrangements between physicians and skilled nursing facilities. In May, CMS encouraged physicians to sign contracts with SNFs spelling out what services the physician will perform for the SNF and how the SNF will compensate the physician. But the new transmittal says the ultimate deciding factor in the validity of SNF-physician arrangements will still be the legal requirements for such arrangements.