

Part B Insider (Multispecialty) Coding Alert

PHYSICIAN PAYMENTS: Fixing 4.3 Percent Cut Shouldn't Raise Premiums, AARP Argues

Beneficiary pressure may doom physician rescue

If you're waiting for Congress to step in and save you from the 4.3 percent pay cut that awaits you in 2006, be aware that beneficiaries are putting pressure on too.

American Association of Retired Persons CEO **William Novelli** wrote to Senate Budget Committee Chair **Judd Gregg** (R-NH) to warn him against raising beneficiaries' premiums any further. The April 19 letter notes that "Medicare providers should be paid fairly, but each time reimbursement is increased, beneficiaries shoulder 25 percent of the cost through their monthly premiums."

If the budget ends up giving more money to physicians instead, Novelli asks Gregg to bear in mind the potential effect on beneficiaries. "Following last year's record-breaking Part B premium increase, another sizable increase is already expected, and these escalating premiums have created a serious financial burden for beneficiaries," Novelli writes.

So the AARP wants Gregg to spare beneficiaries "from any new costs associated with increased provider payments." If Gregg agrees to this suggestion, taxpayers would shoulder the entire increase for physician payments. So the net effect of the AARP's pressure may be to make a rescue of physicians pay less likely.

Don't Slash ASC Services, Grassley Insists

Separately, Senate Finance Committee Chairman **Chuck Grassley** (R-IA) wants the **Centers for Medicare and Medicaid Services** to reconsider removing 100 services from the list of covered services for ambulatory surgery centers.

In an April 12 letter, Grassley says CMS shouldn't delete services from the ASC list as long as the procedures "can be performed in an ASC setting at the same or greater level of safety as compared to an outpatient setting."

Providers have raised concerns to Grassley about some of the proposed deletions, including "procedures that treat congenital deformities, burn injuries, traumatic injuries and cancer." Removing these procedures may restrict patient's access to care, especially in rural areas "where an ASC is more convenient than an outpatient facility," writes Grassley.

The Medicare Modernization Act calls on the HHS Secretary to develop a new payment system for ASCs between 2006 and 2008. Grassley notes that the **Medicare Payment Advisory Commission** has suggested a system where ASCs can provide any procedure unless it was on a special list of non-covered procedures. The non-covered list would just include procedures that aren't equally safe in an ASC as in an outpatient setting. Grassley expresses eagerness to work with CMS on developing a new ASC system.