

## Part B Insider (Multispecialty) Coding Alert

### REIMBURSEMENT: Can You Afford To Serve Medicare Patients Next Year?

#### Fixing problems could cost \$218 billion, CBO warns

**Contact your Congress member:** You should urge your representatives to support H.R.5866, the Medicare Physician Payment Reform and Quality Improvement Act. Introduced July 24 by Rep. **Michael Burgess** (R-TX), a physician, H.R.5866 would:

- **replace** the broken physician payment update formula with a new system based on the Medicare economic Index (MEI). Instead of a 4.7-percent cut, next year you'd receive a 1.8-percent payment boost, based on the MEI's estimate of cost increases, minus 1 percent.
- **establish** quality measures for physician services and allow physicians to report those measures voluntarily. This would also allow patients to choose high-quality doctors.
- **delay** changes to payments for imaging services by one year. During that time, the **Department of Health & Human Services** would contract with the **Institute of Medicine** to study the utilization and appropriateness of imaging services, examining -the role of defensive medicine- and whether imaging scans save money by reducing the need for procedures.

The influential **Medicare Payments Advisory Commission** (MedPAC) endorsed a system similar to the Burgess bill-s, in a July 25 hearing of the **House Energy and Commerce Health Subcommittee**. But MedPAC would impose pay-for-performance, where physicians receive money for quality, instead of the voluntary program Burgess proposed.

Meanwhile, the **Congressional Budget Office** warned that any boost to physician payments will cost Medicare dearly. Just increasing physician's pay by 1 percent in 2007, without affecting future cuts, would cost \$13 billion from 2007 to 2013. Increasing pay by 1 percent in 2007 and adjusting future cuts to compensate would cost \$31 billion from 2007 to 2016. The Burgess bill's proposal would cost \$218 billion extra between 2007 and 2016, the CBO warns.

**Commentary:** -The \$64,000 question- is whether Congress can find the money to avert another cut of nearly 5 percent for next January and delay next year's deep cuts to imaging, says North Carolina radiologist **William Thorwarth**. Congress will at least act to prevent overall cuts to avoid a physician exodus from Medicare, predicts Thorwarth.