

Part B Insider (Multispecialty) Coding Alert

REIMBURSEMENT: Could Your Practice Survive With 40 Percent Less Cash?

'Bounty hunters' won't cover the costs of your appeals

Your Medicare payments face a cut of nearly 40 percent over the next eight years under current law, experts told the May 21 meeting of the **Practicing Physicians Advisory Council (PPAC)**. Worse, you could be stuck clamoring every single year for legislation to avert these annual cuts.

So PPAC passed a resolution calling on Congress and the **Centers for Medicare & Medicaid Services** to work on legislation to avert these cuts. Instead of the current formula, which leads to cuts every year, PPAC wants a formula that keeps up with the rising costs of practicing medicine.

Or: If Congress can't do away with the formula every year, PPAC asked CMS to remove Part B drugs from its calculations. That would re-duce the growth rate of physician services. CMS responded that it doesn't have the authority to make this change.

PPAC members warned that more and more physicians may drop out of Medicare in the face of the threatened annual cuts.

Other topics discussed:

- **PQRI & slow claims:** If your carrier is too slow in processing your claims, then some of your 2007 claims may not arrive in time to count in the physician quality reporting initiative (PQRI) project, CMS warned. PPAC asked CMS to consider claims as long as they're submitted before February 28, 2008. But CMS replied that your carrier must have transmitted your claim by the deadline.

- **More info from MCPs:** Medicare managed-care plans should provide more information about prices, physician fees, claims-processing and payment policies, and reductions in physicians- payments, PPAC recommended. CMS agreed with this and said it would post some of this information on its Web site.

- **RACs here to stay:** CMS refused to remove physicians from the Recovery Audit Contractor (RAC) program, even though these -bounty hunters- haven't recovered much money from doctors so far. PPAC also recommended that if a physician appeals an RAC audit and wins, the RAC should pay the physician an extra 25 percent of the recovered amount, to offset the cost of the appeal. But CMS said physicians must pay their own audit costs.

- **Volunteer doc rule clarified:** A volunteer physician can document that he or she was eligible to be considered a volunteer teaching physician. CMS included language explaining how to do this in the 2008 long-term care hospital proposed payment rule.

- **Military docs to get guidance:** Nobody is sure whether active military physicians can bill Medicare for their non-military services. An active-duty Air Force physician contacted the **Physician Regulatory Issues Team** at CMS because he's working on weekends at a local civilian hospital near his military hospital. Attorneys from the **Health & Human Services and Defense Departments**, plus the **National Institutes of Health** are meeting to resolve this issue.

- **Report cards for MACs?** The most important concern about the transition to Medicare Administrative Contractors (MACs) is whether the new MACs will be responsive to physicians, says PPAC member **Peter Grimm**. Currently, Part B



carriers earn a -C- on the Medicare Contractor Provider Satisfaction Survey, and PPAC believes contractors should achieve a 90-percent rating--or better. CMS should frequently evaluate the performance of these new MACs, and establish goals for them.