

Part B Insider (Multispecialty) Coding Alert

REIMBURSEMENT: Fight Against 5.1 Percent Cut Begins With Time Already Running Out

Physician spending grew much less quickly than expected

There's no time to lose to save Medicare reimbursement from the 5.1-percent cut slated for next January. Congress has returned from its August recess--but plans to adjourn at the end of September for the election season.

Members of Congress are considering several different plans to rescue you from steep payment cuts over the next few years--but only if you take part in some programs to improve your quality or reduce your utilization. As Congress considers its options, some good news and bad news has emerged:

Good news: Your spending didn't grow as fast as the **Centers for Medicare & Medicaid Services** expected. That means that instead of increasing to nearly \$100, Part B premiums will only rise to around \$93.50 next year, officials announced. The 5-percent increase is way less than last year's sharp 17.4-percent increase, because physician spending is growing less quickly. (But wealthy seniors will pay between \$106 and \$162 per month.)

Medicare actuaries had overestimated the rate of physician spending growth this year, because you've become more efficient at submitting claims more quickly, CMS Administrator **Mark McClellan** told reporters in a Sept. 12 conference call.

-We're seeing an acceleration in when services are paid,- he said. -More physicians are paying attention to their billing practices in Medicare,- and using health information technology, he added. Because physicians are receiving payments faster, it looked as if Medicare was spending more than it actually was, he explained.

The lower growth rate may decrease the pressure for spending cuts--but even with a 5.1-percent cut, physician spending won't go down, McClellan noted.

Bad news: The **Congressional Budget Office** said that it would cost a staggering \$6 billion over 10 years just to replace next year's cut with a 1-percent increase. To replace the formula that calls for cuts of 4 to 5 percent per year with an index for inflation would cost \$200 billion over 10 years, the CBO said in a Sept. 6 issues brief.