

Part B Insider (Multispecialty) Coding Alert

REIMBURSEMENT: Get Ready--Your Payments Could Be Slashed To The Bone Next Year

CMS estimates a 4.6 percent cut awaits you in 2007

And so it begins again.

The **Centers For Medicare & Medicaid Services** says the conversion factor in 2007 will be 36.1542--4.6 percent lower than this year's rate--unless Congress steps in again.

It would be easy to write this off as another false alarm--except that Medicare did cut physician payments 5.4 percent in 2002. Every year since then, CMS has threatened another cut. The law requires CMS to cut physician payments each year if spending grows faster than the overall economy, and CMS has predicted sharp cuts every year until 2015.

Physician spending increased 8.5 percent in 2005, and almost all of that growth (7.5 percent) came from physician services, not drugs or supplies. The biggest increases came from evaluation & management (2.6 percent), procedures (2.5 percent) and imaging scans (2.3 percent).

What to do? "I'm not going to hold my breath," says **Jennifer Kelchen**, certified coding specialist with **Cardiologists PC** in Cedar Rapids, IA. "They always come out with this gloom and doom, but there's so much political stuff involved with this that I don't get as upset until it gets a little bit closer" to the end of the year.

Congress did reverse this year's 4.4percent cut, but only after more than a month had gone by. "Now we're spending hours upon hours posting \$1.42 to hundreds of accounts," laments **Donna Beaulieu**, a consultant with **Quality Physician Services** in Stockbridge, GA. Out of QPS' nine family practice locations, several have already stopped seeing new Medicare patients. "I'm afraid more doctors will choose to do the same thing," says Beaulieu.

"Their liability does not go down, nor does the time they spend with the patient," says Beaulieu. "Just their reimbursement."

Smart idea: With warnings of another steep cut, it's important to make projections and try to figure out what services you can offer without losing money at those rates, says Kelchen, who still remembers the pain of the 2002 cut. You may need to rethink what areas your practice focuses on, she adds.