

## Part B Insider (Multispecialty) Coding Alert

### REIMBURSEMENT: July Will Be Shakedown Time for Physicians

If you thought your nightmares were over now that Congress has rescued physician payments from the threatened 4.4 percent cut, think again.

The fruit of intensive lobbying by physician groups on Capitol Hill took formal shape Feb. 26 as the **Centers for Medicare & Medicaid Services** unveiled its Medicare payment rule for physicians. This rule reflects the [physician fee schedule](#) fix that groups like the American Medical Association have been clamoring for and turns the planned 4.4 percent pay cut into a 1.6 percent increase.

But insiders are already predicting glitches in the implementation of the rule, which takes effect March 1.

For example, claims with dates of service in January or February are supposed to be paid at 2002 rates - but if they're submitted after March 1, they'll be paid at the higher 2003 rates due to claims processing limitations. That means payment adjustments will have to be made to collect these overpayments from physicians. CMS expects to be ready to make these adjustments in July.

So in July, physicians can expect their carriers to ask them for money, "recouping the overpayment of all January and February services submitted March 1 or later paid at the 2003 rate," explains one industry insider.

Further, what this all means in terms of the impact on beneficiary copayments is still murky. CMS recognizes that beneficiaries will be paying too much on their copays for these January and February claims processed after March 1 as well, but isn't sure how to handle the problem just yet, the observer reports.

The whole situation will be an administrative nightmare for physician practices, but CMS has offered a way to avoid it.

The agency has suggested that physicians hold all the claims from January and February that you have not submitted by March 1 and submit them after July 1.

That will ensure CMS pays the claim correctly, but it obviously presents the problem of practices having to sit on a bunch of claims for up to seven months.

Because of the change in payment rates, CMS is giving physicians extra time to decide whether to participate in Medicare. You now have until April 14.