

Part B Insider (Multispecialty) Coding Alert

REIMBURSEMENT: Legislators Give Docs a Happy Holiday With 0.5 Percent Pay Raise

But the rule only extends until June 30, so you'll still need another fix mid-year

If you were holding your breath for a Medicare pay increase, you can finally exhale.

The Senate and House passed the Medicare, Medicaid and SCHIP Extension Act of 2007 earlier this week, replacing the scheduled 10.1 percent Medicare pay cut for 2008 with a 0.5 percent increase.

The downside: The law expires on June 30, so Medicare allowances after that are still up in the air.

-This is a political football,- says **David C. Harlow, Esq.**, of **The Harlow Group**. -Congress has never let the sustainable growth rate (SGR) rules kick in. I don't think that they will let them kick in mid-year. The pending action is a political compromise involving SCHIP as well and merely avoids a physician pay cut that would otherwise be automatic in January.-

Despite the congressional re-prieve, however, physicians should not take their attention off of the legislative wrangling that will be required to fix payments after June 30, says **Jean Acevedo, LHRM, CPC, CHC, PCS**, of Acevedo Consulting Inc. -They should be worried that come July 1, 2008, their reimbursement will drop to the 10.1 percent reduction,- she says.

Potential upside: -I've never seen Congress attempt just a six-month fix,- Acevedo says. -Maybe the Senate is planning to actually tackle the core problem with the fee schedule between now and June. If so, that could actually be good news.-

New payment structure possible: -Physicians may note that Congressional support for their position is eroding-based on last year's 1.5 percent increase and this year's 0.5 percent boost, Harlow says. -The **AMA** wants Congress to abandon this sort of cost control, and simply adopt an indexed approach to automatic increases, rather than sticking with the current zero-sum game. Congressional leadership is eager to find a permanent solution, though wholesale adoption of the AMA proposal is unlikely.-

The new ruling also extends the PQRI program, the 5 percent bonus provision to physicians who practice in physician scarcity areas, the geographic index floor of 1.0 and the therapy cap exceptions process, among other provisions. To read a breakdown of the bill, visit www.senate.gov/~finance/press/Bpress/2007press/prb121807.pdf.