

Part B Insider (Multispecialty) Coding Alert

WASHINGTON UPDATE: Now Is The Time To Call Your Member of Congress

White House threatens to veto Senate Medicare bill

You have one chance left to avoid a 4.4-percent cut to your practice's Medicare reimbursement next year.

At press time, the Senate was expected to pass a budget package that includes a 1-percent increase to your payments by the end of last week. Meanwhile, the House of Representatives will pass a budget package that leaves the 4.4-percent cut to physician payments intact.

Capitol Hill insiders tell PBI that the House decided to avoid addressing Medicare payments as part of the House budget package. That means House bills that would have scrapped the physician payment formula and provided a 1.5-percent increase are dead.

Opportunity: So your only hope is for the Senate provisions to win out in the conference committee between the House and the Senate. The Senate plan would give you a 1-percent raise, but wouldn't do anything about sharp cuts scheduled for 2007 through 2013. And it would impose "pay for performance" (P4P) programs that would cost you money unless you met quality standards.

The House avoided touching Medicare because of concerns about allowing changes to the prescription drug program that takes effect in January, according to **Rich Trachtman**, director of congressional affairs with the **American College of Physicians**.

In fact, the Senate budget plan would pay for your pay increase by slashing other Medicare spending, including a slush fund to reward drug plans for joining the program.

The White House has threatened to veto any budget that removes that drug fund, according to the Baltimore Sun. But if that fund isn't scrapped, then Congress may not be able to afford to get rid of the 4.4-percent pay cut you're facing. "It's a mess from here on out," says attorney **Piper Nieters** with **Powers Pyles Sutter & Verville** in Washington.

If the budget doesn't put an end to the 4.4-percent cut, then you'll be facing an uphill battle to avoid it, says Trachtman.

Other proposed bills had included larger pay increases, such as a proposed 2.5-percent raise in 2006 and 2007. But a 1-percent raise "amounts at this late date to potentially snatching something of a victory from the jaws of defeat," says attorney **William Sarraile** with **Sidley Austin Brown & Wood** in Washington.

Because the Senate package doesn't address the Sustainable Growth Rate, the formula that calls for such steep cuts in future years, the approach amounts to "kicking the can down the road," says Nieters. Legislators are "just delaying the same difficult questions until the same time next year."