

Psychiatry Coding & Reimbursement Alert

2013 Payment Update: Fee Schedule Cut Reprieve Reduces Your Reimbursement Challenges--For Now

AMA is still pushing for a more permanent solution to the issue.

If you were concerned that the 2013 Medicare Fee Schedule cuts would punch a hole in your psych practice's bottom line, you can breathe easy.

Good news: On Jan. 1, Congress voted on the Middle Class Tax Relief Act, which reversed the 26.5 percent cut and froze Medicare payment rates through Dec. 31, 2013 with the 2013 conversion factor of 34.023. The bill also deferred the sequestration cuts for two months. The averted cut would have reduced the 2013 conversion factor to \$25.0008. Apart from this, practices were facing an additional two percent across-the-board sequestration cut that would have hit Medicare providers' payment rates in early 2013.

Enjoy Fee Cut Reversal Albeit Temporarily

Although medical associations were relieved about avoiding a large cut in Medicare payments for 2013, they lamented the fact that the government has not permanently fixed the problem by overhauling the sustainable growth rate (SGR) formula.

While lauding the "doc fix" announced by Congress, "A postponement is preferable to a draconian Medicare payment cut, but Congress still needs to pass legislation permanently replacing the SGR itself," said **American Psychiatric Association** president **Dilip Jeste, MD**, in a Jan.2 statement. "This patch temporarily alleviates the problem, but Congress' work is not complete," said **AMA** president **Jeremy Lazarus, MD**, in a statement. "It has simply delayed this massive, unsustainable cut for one year. Over the next months, it must act to eliminate this ongoing problem once and for all."

Flawed plan: Other organizations took issue not only with Congress's inability to permanently fix the SGR, but also the source of the money that covered the temporary adjustment. The "one-year SGR 'doc fix' [was] paid in part by increasing the technical component (TC) equipment utilization threshold for advanced imaging modalities from the current 75 percent to 90 percent beginning Jan. 2014," the **American College of Radiology** (ACR) said in a statement.

"Reverting to continuous provider cuts to help pay for a morbidly flawed payment policy, in an environment that resembles more 'Alice in Wonderland' than 'Mr. Smith Goes to Washington,' is an embarrassment to our country and a disservice to our nation's seniors," said ACR Board of Chancellors Chair **Paul Ellenbogen, MD**, in a Jan. 2 statement. "These cuts will ultimately damage patient access to medical imaging care and may drive up long term costs by delaying diagnosis of illness and disease to later stages where more expansive, and expensive, treatments are required. This move by Congress represents a step backward in patient care."