

Psychiatry Coding & Reimbursement Alert

News You Can Use: Congress Votes to Halt Your Pay Cuts and Delay ICD-10

Physician associations still plan to pursue a permanent SGR formula revision.

The entire healthcare community has been abuzz this month about the Protecting Access to Medicare Act of 2014. In a move designed to avert the 24 percent pay cut your practice was due to face on April 1, Congress approved and the President signed this bill.

The resulting temporary fix included another change buried in the text that has a major impact on your practice. Take a look at what you need to know to keep your practice up to date.

Don't Expect a Permanent SGR Fix This Time

Background: As most practices are aware, the 24 percent pay cut that you were supposed to face on Jan. 1 was prevented, thanks to a Congressional vote late last year. However, that delay would have expired on March 31, without another government vote, and your Medicare payments would face the same 24 percent cut on April 1.

Good news: But on March 27, the House of Representatives passed the Protecting Access to Medicare Act of 2014 (HR 4302), which halts the 24 percent pay cut for the rest of the year. The Senate passed it on March 31, and President Obama then signed the bill into law on April 1.

The newly passed law replaces the reimbursement cut with a 0.5 percent payment update through the end of 2014 and a zero percent payment update from January 1, 2015 to March 31, 2015.

Bad news: This new legislation only provides a temporary solution, not a permanent fix to the Medicare sustainable growth rate (SGR) formula that leads to these looming pay cuts every year. Many industry groups are lamenting the lack of a long-term solution.

AMA's thoughts: In a press release, the American Medical Association (AMA) states that it is "deeply disappointed." The AMA goes on to say: "Remarkable progress was made this past year in reaching a bipartisan, bicameral agreement on policy to repeal the SGR, and the AMA encourages Congress to continue its work and resolve outstanding issues. On behalf of Medicare patients and physicians across the country, it is critical that we achieve permanent Medicare physician payment reform. We will continue our efforts to secure a permanent SGR repeal this year."

"Full repeal of the sustainable growth rate formula is the answer to strengthening the Medicare program, not another patch," AMA president **ArdisDeeHovens** said in a March 26 statement.

"The SGR needs to be fixed permanently by Congress," agrees Catherine Brink, BS, CMM, CPC, CMSCS, president of Healthcare Resource Management, Inc. in Spring Lake, NJ. "The temporary fix at least keeps practices' Medicare revenue on track for now anyway."

"This means we will be going through this again in a year," adds **Barbara J. Cobuzzi, MBA, CENTC, CPC-H, CPC-P, CPC-I, CHCC**, president of CRN Healthcare Solutions, a consulting firm in Tinton Falls, N.J. "The AMA has spent a year working with Congress trying to get a permanent fix and then they bailed at the finish line because nothing seems to be able to be accomplished. Congress is not willing to commit to the cost for the fix. The reality is that they have been kicking the can down the road for many years, and each year, we are incurring the cost of not reducing the fees."

Check Out the ICD-10 Changes

Mentioned about one-third of the way into the 121-page bill is a short paragraph that states, "The Secretary of Health and Human Services may not, prior to October 1, 2015, adopt ICD-10 code sets as the standard for code sets under section 1173(c) of the Social Security Act (42 U.S.C. 1320d-2(c)) and section 162.1002 of title 45, Code of Federal Regulations." This means that since the bill has been signed into law, ICD-10 will be delayed for at least another year beyond the scheduled Oct. 1, 2014 implementation date.

Remember: This is the second time ICD-10 implementation has been delayed. The original compliance date of October 1, 2013 was officially pushed back a year on September 5, 2012, by CMS. According to CMS, this additional one-year delay of ICD-10 will likely cost the industry an additional \$1 to \$6.6 billion on top of the costs already incurred from the previous one-year delay.

AHIMA's take: The American Health Information Management Association (AHIMA) spoke out against the delay. In a March 31 press release, AHIMA CEO Lynne Thomas Gordon, MBA, RHIA, CAE, FACHE, FAHIMA, states: "On behalf of our more than 72,000 members who have prepared for ICD-10 in good faith, AHIMA will seek immediate clarification on a number of technical issues such as the exact length of the delay."

The press release goes on to say, "Since the transition to ICD-10 remains inevitable and time-sensitive because of the potential risk to public health and the need to track, identify and analyze new clinical services and treatments available for patients, AHIMA will continue to help lend technical assistance and training to stakeholders as they are forced to navigate the challenge of continuing to prepare for ICD-10 while still using ICD-9."

Avoid the 'We Don't Need to Keep Preparing' Pitfall

While many feel this new law and resulting ICD-10 implementation delay is not good for practices, there may be a small silver lining. "I think it is a bad thing because it affects our momentum to crossing the finish line," explains

Laureen Jandroep, CPC, CPC-I, CMSCS, CHCI, senior instructor at CodingCertification.org in Oceanville, N.J.

"However, we can use the extra time to prepare even more thoroughly, so we can make the best of it. For those that have made the investment getting ready, it is frustrating to see their investment lose traction."

Despite the delay in implementation, experts warn that practices must continue their efforts to prepare for ICD-10 use. "Part of the reason we're in this situation is not enough people have prepared and petitioned for more time," Jandroep says. "It is not fair to those that did prepare and are ready or were going to be by the 10/1/2014 date. The changes are in the implementation date, not that it is not coming at all, so prepare on!"

"Of note, we should not throw away the chance to improve the physician's clinical documentation just because the code set implementation has been delayed," Cobuzzi adds. "It is always a goal to improve clinical documentation."

To read the complete text of the Protecting Access to Medicare Act of 2014, visit <http://docs.house.gov/billsthisweek/20140324/BILLS-113hrSGR-sus.pdf>.