

Psychiatry Coding & Reimbursement Alert

Part B Payment: 2014 Might Bring in a Permanent Fix of Medicare Payment System

Congress looking at means to eliminate SGR.

While the Congress approved a 0.5 percent increase to Medicare physician payments (over 2013 payment amounts) to stall major conversion factor cuts through March, they are also looking at ways and methods to fix the Medicare physician payment system for good.

You Might Say Goodbye to SGR

The **House of Representatives' Ways and Means Committee and the Senate Finance Committee** approved a bill that would eliminate the SGR in favor of freezing or slightly increasing 2014 payments over the 2013 amounts until a more permanent solution to how to calculate Medicare pay could be devised, which would largely be based on physician performance.

"Reform is needed to maintain a viable fee-for-service system and an emphasis on value mirrors many private payer efforts," the House Ways and Means Committee said in its overview of the SGR repeal proposal. "While the duration and size of the payment rates to be set in statute are not yet determined, this phase will provide physicians time to transition to, and play a prominent role in, reforming the Medicare fee-for-service physician payment system."

Medical Societies Applaud Move

Needless to say, physicians have been thrilled with the news that the flawed Medicare payment system could finally get a facelift. "Today's strong, bipartisan votes by the Senate Finance and House Ways and Means committees, following similar action last July by the House Energy and Commerce Committee, shows that there is overwhelming, bipartisan support for ending SGR in a fiscally responsible manner and closing the book on the annual cycle of draconian Medicare physician payment cuts and short-term patches," said American Medical Association (AMA) President Ardis Dee Hoven, MD, in a Dec. 12 statement. "This long-overdue policy change provides the stability that physicians need to pursue delivery innovations that help improve patient care and reduce costs for American taxpayers."

The AMA urges physicians to contact Congress in support of the payment overhaul by visiting <http://fixmedicarenow.org/physicians>.

To read a summary of the House Ways and Means Committee's proposal, visit http://waysandmeans.house.gov/uploadedfiles/sgr_reform_short_summary_2013.pdf.