

## Modifier Coding Alert

### News You Can Use: Relish the Delay to Pay Cuts the Recent Law Provides

#### Resolution of the SGR formula has been pushed out, yet there's hope for a future fix.

March saw yet another delay to actually fixing the SGR formula with the passing of bill HR 4302 into law. The law delays the Medicare cuts until March 15, 2015.

As tends to be the case with most bills, there was more information that greatly impacts your practice further down in the details. Educate yourself with this analysis and continue working to prepare yourself for 2015.

#### 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 earlier this 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 Congress introduced the Protecting Access to Medicare Act of 2014 (HR 4302), which halts the 24 percent pay cut for the rest of the year. The House of Representatives quickly passed the bill on March 27, and the Senate passed it on March 31. 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 Jan. 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 **Ardis Dee Hoven** said in a March 26 statement urging Congress to not even pass the bill.

"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." 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 Oct. 1, 2013 was officially pushed back a year on Sept. 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."

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>.