

HEALTH REFORM IMPACT

What you need to know NOW

NEWS FOR THE CLIENTS AND FRIENDS OF BASS, BERRY & SIMS PLC

Another 11th Hour Save for Doc Pay: But Will It Stick?

June 25, 2010

Congress acted last night to halt a 21.2% payment reduction in Medicare Part B physician fee schedule payments that the Centers for Medicare & Medicaid Services (CMS) had already begun implementing on June 18. Specifically, the House approved, and today President Obama signed into law, the Preservation of Access to Care for Medicare Beneficiaries and Pension Relief Act of 2010. The law establishes a 2.2% update to Medicare Part B payments from June 1 to November 30, 2010.

Today CMS issued a statement advising that contractors will discontinue processing claims at the negative update rate of 21.2%. However, contractors will hold claims for services on or after June 1, 2010 until the new 2.2% rates are tested and loaded into the Medicare contractor's claims processing systems. CMS expects that processing of claims at the new rate will begin no later than July 1, 2010. CMS advised that it would reprocess claims which have been paid at the negative update rate as soon as possible, and affected physicians/suppliers must contact their local Medicare contractor to request an adjustment. Claims will not be automatically adjusted because submitted charges on claims cannot be altered without a request from the physician/supplier.

In the meantime, affected physicians are left wondering whether the 21.2% cut will be reinstated when the Congressional reprieve expires November 30, 2010. The physician community anticipated that the historic health reform legislation would eliminate the Sustainable Growth Rate (SGR), which is the cost containment tool that has resulted in the recent Part B pay cuts that Congress has repeatedly delayed. However, the Patient Protection and Affordable Care Act, enacted on March 23, 2010, as amended by the Health Care and Education Reconciliation Act, enacted on March 30, 2010, failed to address the SGR.

If you have any questions about this issue of *Health Reform IMPACT*, please contact any of the attorneys in our Healthcare Practice Group listed below.

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