

MEDICARE UPDATE

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2010 FEE SCHEDULE—FINALLY SOME GOOD NEWS—AT LEAST FOR A WHILE!!!

The Centers for Medicare & Medicaid (CMS) announced this morning (June 25, 2010) that President Obama signed the Preservation of Access to Care for Medicare Beneficiaries and Pension Relief Act of 2010. Good news for physicians, you received a 2.2 percent increase in the 2010 conversion factor used to create the Medicare Physician Fee Schedule (MPFS). This new fee schedule is retroactively effective for dates of service on or after June 1, 2010. The Act mandates application of updated fee schedule through dates of service on or before November 30, 2010. Bad news is that we will go through all of this again between now and November 30.

In quick reaction to President Obama's signature, CMS told its Medicare Claims Administration Contractors to immediately discontinue processing claims at the negative update rates and to temporarily hold all claims for services rendered June 1, 2010, and later, until the new 2.2 percent updated fee schedule is tested and loaded into the Medicare Contractors' claims processing systems. Effective testing of the new 2.2 percent update will ensure that claims are correctly paid at the new rates. CMS expects Contractors will begin processing claims at the new rates no later than July 1, 2010. Claims for services rendered prior to June 1, 2010, will continue to be processed and paid as usual.

CMS has ensured all physicians that claims containing June 2010 dates of service which have been paid at the negative update rates will be reprocessed as soon as possible. Claims containing June dates of service that were submitted with **charges greater than** or equal to the new 2.2 percent update rates will be **automatically reprocessed**.

Under current law, Medicare payments to physicians and other providers paid under the MPFS are based upon the lesser of the submitted charge on the claim or the MPFS amount. Only those physicians **submitting charges** for dates of service on or after June 1 at a **lower amount** than the 2.2 percent update will need to contact their local Medicare Contractor to request an adjustment. In these situations, submitted charges on claims cannot be altered without a request from the physician to reprocess the claims. In this **specific situation only**, do not start the process of reopening affected claims until the new fee schedule has been fully tested and claims are being processed with the updated 2010 Medicare Physician Fee Schedule.

Regardless of what charges were initially submitted on claims with dates of service on or after June 1, physicians **should not resubmit claims** already submitted to their Medicare Contractor for processing.

As I look at what has been happening this year, it seems that the only thing physicians can count on is that it is increasingly harder to keep track of all the changes. More to follow as the saga continues!