

MEDICARE UPDATE

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URGENT! MEDICARE PROCESSING CLAIMS WITH DATES OF SERVICE JUNE 1 AND AFTER!

Congress failed to send legislation to President Obama in time to avert implementation of the scheduled 21+ percent payment cut. Although the House of Representatives had passed legislation last week that included a 19-month reprieve from Medicare cuts (over 21 percent starting June 1, 2010), the Senate could only agree to replace the 21+ percent reduction with a 2.2 percent increase to the physician fee schedule through November 30, 2010 when we will face this all over again! The increase is retroactive to dates of service on or after June 1, 2010.

Since the Senate's bill is different from the 19-month reprieve passed by the House, the bill must go back to the House before it can be sent to President Obama to sign into law. As the House had already adjourned for the weekend when the Senate reached an agreement, the vote and bill signing should take place later this week.

In an attempt to avoid disruption in the delivery of health care services to beneficiaries and payment of claims for physicians, non-physician practitioners, and other providers paid under the MPFS, on May 27, CMS instructed its contractors to hold claims for services paid under the MPFS for the first 10 business days of June (i.e., through June 14, 2010). This hold only affected MPFS claims with dates of service of June 1, 2010, and later.

Given the possibility of Congressional action, last Monday, CMS directed its contractors to continue holding June 1 and later claims for another three days (through Thursday, June 17). CMS was doing everything it could to facilitate accurate claims processing at the outset and minimize the need for claims reprocessing if Congressional action changed the negative update.

It did not appear likely that the Senate would be able to agree on what to do about the fee schedule, so on Friday, June 18, CMS instructed its contractors to begin processing claims with dates of service on or after June 1, 2010 on a first-in/first-out basis. Physicians' payments will reflect the 21+ percent reduction in the fee schedule for the first few payments; however, CMS is prepared to act as expeditiously as possible to make the appropriate changes to Medicare claims processing systems as soon as President Obama signs the legislation into law.

Claims paid at the lower fee schedule will be automatically reprocessed by the Medicare contractors, so other than having to double post payments, there will not be any loss of revenue due to the reduction.

Once the claims are processing correctly, enjoy it until November, no predictions about what will happen then!!!