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CODING/REIMBURSEMENT NEWS

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*Santa Clara County Medical Association
700 Empey Way • San Jose • CA, 95128*

www.sccma.org

MEDICARE CUTS STOPPED!

U.S. HOUSE AND SENATE OVERRIDE BUSH VETO - MEDICARE CUTS STOPPED!

Within 12 hours of the presidential veto of HR 6331, the House and Senate overrode the veto by votes of 383 to 41 and 70 to 26 respectively.

This bill stops Medicare cuts for the next 18 months, leaves in place a 0.5 percent increase, and gives physicians a 1.1 percent increase.

Of note, current Medicare payments to physicians are about what they were in 2001, while the cost of running a medical practice has increased substantially.

The bill also contains a number of other important provisions, including an extension of expiring provisions that boost payments in rural areas, bonuses for quality reporting, a phase-out of higher co-pays for mental health services, an expansion of the medical home demonstration project, and increased payments for anesthesia teaching programs.

NEW MEDICARE FEE SCHEDULE ENACTED

New 2008 Medicare Physician Fee Schedule Payment Rates Effective for Dates of Service July 1, 2008 Through December 31, 2008

The Medicare Improvements for Patients and Providers Act of 2008 was enacted on July 15, 2008. As a result, the mid-year 2008 Medicare Physician Fee Schedule (MPFS) rate of -10.6 percent has been replaced with a 0.5 percent update, retroactive to July 1, 2008.

Physicians, non-physician practitioners, and other providers of services paid under the MPFS should begin to receive payment at the 0.5% update rates in approximately 10 business days, or less. Medicare contractors are currently working to update their payment system with the new rates.

In the meantime, to avoid a disruption to the payment of claims for physicians, non-physician practitioners and other providers of services paid under the MPFS, Medicare contractors will continue to process the claims that have been on hold on a rolling basis (first in/first out) for payment at the -10.6% update level. After your local contractor begins to pay claims at the new 0.5% rate, to the extent possible, the contractor will begin to automatically reprocess any claims paid at the lower rates. Under the Medicare statute, Medicare pays the lower of submitted charges or the Medicare fee schedule amount. Claims with dates of service July 1 and later billed with a submitted charge at least at the level of the January 1 – June 30, 2008 fee schedule amount will be automatically reprocessed. Any lesser amount will require providers to contact their local contractor for direction on obtaining adjustments. Non-participating physicians who submitted unassigned claims at the reduced nonparticipation amount also will need to request an adjustment.

Contractor websites are being updated with the new rates and these should be available shortly.

◆Source: CMS Provider Resource