

Thursday, July 17, 2008

AMA's coalition prevails on Medicare

Payment details emerge as carriers scramble to implement the change

As reported in the mainstream media, the AMA succeeded in orchestrating ample bi-partisan majorities in both the House and Senate on Tuesday, July 15, to override President Bush's veto of the Medicare bill (H.R. 6331).

Thus, the 10.6% physician payment cut that became effective July 1 has been reversed for at least the next 18 months, through December 31, 2009.

The AMA deserves credit for tenacity, leadership and effectiveness in pulling together this important win for medicine. State and specialty societies cooperated with AMA in providing the grassroots support that helped corral a total of 70 Senators (out of 96 present and voting) for the final veto override vote on Tuesday evening.

All members of Rhode Island's Congressional Delegation, --Congressmen Kennedy and Langevin, and Senators Reed and Whitehouse,-- have been consistently supportive of medicine throughout this ordeal and deserve our thanks for that.

In the end, it all went down just as the AMA said it would. The President issued his veto on Tuesday morning. His stated objections center on decreased funding for Medicare Advantage and a newly raised concern about the Medicare prescription drug program. Interestingly, he also expressed distain for what he called "short-term budget gimmicks" that do not solve the problem of SGR.

The House overrode the President's veto on Tuesday afternoon by the largest margin yet for this legislation: 383 to 41.

So what's happening with claims?

Congress made the restoration of pre-July 1st physician payment levels retroactive to July 1st. However, Rhode Island's Medicare Carrier informs RIMS that it will take until July 21st or maybe even July 23rd before the rates are restored, tested and implemented. Therefore, as CMS continues its 10-day hold (that is, 10 *business* days) of claims and its rolling daily release of the oldest claims, those claims with dates of service from July 1st and later will be paid at the reduced rate until next week sometime and thus will have to be reprocessed and adjusted once the system is updated. These adjustments are supposed to happen automatically and as promptly as possible, requiring no action on the part of physician practices.

AMA has consistently recommended that physicians continue to submit claims normally (not hold them).

Starting January 1, 2009, the Conversion Factor will be increased by 1.1% This gives the new Congress and the new Administration some time to work on a more permanent solution that at least recognizes physicians' increased overhead costs.

CMS promised yesterday that it would issue guidance "in the next few days" about the collection of corrected co-insurance payments.

CMS offers more information on physician payment matters at <http://www.cms.hhs.gov/PhysicianFeeSched/>