

NEWS BREAK

March 31, 2010

Medicare Carriers to Hold Claims for 10 Business Days

For the second time in a month, the flawed Medicare Sustainable Growth Rate (SGR) payment formula for physician services will trigger a 21.3% cut in payments, effective April 1st. This same fee cut occurred on March 1st and was reversed by Congress a few days later, but Congress only extended current payment rates for the month of March in anticipation of adopting a longer term fix. But neither of the House or Senate proposals aimed at accomplishing that was adopted before Congress recessed for Spring Break. Consequently, April 12th is the earliest date when Congress can fix this.

As they did at the beginning of March, Medicare administrators have told Medicare carriers not to process claims with dates of service of April 1st or afterward for 10 business days. Medicare officials believe this will minimally disrupt cash flow because they cannot process payments on electronic claims any sooner than 14 calendar days and no sooner than 29 days for paper claims. Consequently, they expect that if Congress acts quickly on its return, Medicare will still meet its normal claims payment deadlines. To minimize payment disruption, "Participating" physicians may continue to submit all claims on a timely basis at their "usual, customary and reasonable" rates so they are in the cue when claims payments resume. For "NonParticipating" physicians the issue is more difficult because a revised fee schedule reflecting the 21.3% cut has not been published. Consequently, it's impossible to know exactly what amount to enter as the "Limiting Charge" on the claim. Consequently, it may be prudent for "NonPAR" physicians to hold off submitting claims until Congress acts to fix this and/or a new fee schedule has been made available (on the Palmetto website – <http://www.palmettogba.com/J1B>). If any claims are paid at the lower (21.3%) rate and Congress restores fees retroactively, such claims will be reprocessed automatically to repay the difference. Organized medicine believes Congress will act quickly to restore the 21.3% cut, but more effort will be needed to push Congress to fix the SGR permanently.

Your Congressional and Senate representatives are currently on recess in your community. Call them locally to ask that they fix the SGR permanently and immediately restore the 21.3% cut that took effect on April 1st. Share your personal perspective on the effect that these repeated cuts and SGR's unfair payment limits have on your ability to treat new and established Medicare patients. Following is the local contact information:

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|------------------------------|----------------------------------|--------------|------------------------|
| District 18, Merced County | ... Congressman Dennis Cardoza | 209-383-4455 | Fax: 209-726-1065 |
| District 19, Mariposa County | .. Congressman George Radanovich | 209-579-5458 | Fax: 209-579-5028 |
| | Senator Barbara Boxer | 415-403-0100 | Fax: 202-224-0454 (DC) |
| | Senator Diane Feinstein | 415-393-0707 | Fax: 415-393-0710 |