

## **New Law Stops the 26.5 Percent Decrease in Medicare Fee Schedule!!!**

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Dateline: January 4, 2013

On January 2<sup>nd</sup>, President Obama signed the American Taxpayer Relief Act of 2012. Over the last several years, these end-of-the year negotiations have resulted in a delay of a few weeks and kept physicians wondering what would happen for the remainder of the year.

Although Washington kicked the can down the road for a couple of months on other issues, in a surprise move, Congress delayed the scheduled decrease for **ALL 2013** dates of service. YEAH!

Section 601 of the Act – Medicare Physician Payment Update – provides a zero (0) percent update for claims with dates of service January 1, 2013 through December 31, 2013.

Don't forget, as with the previous zero (0) percent updates, this does not mean the fee schedule is frozen at 2012 levels. Due to budget neutrality and other calculations that the existing law required, the 2013 conversion factor has been set at \$34.0230 which is down slightly from 2012 with a \$34.0376 conversion factor. Also, the Centers for Medicare & Medicaid Services (CMS) must consider the technical corrections since the final rule was published and changes in 2013 relative value units when making the final calculations for the 2013 Medicare fee schedule.

At this time, CMS is revising the 2013 Medicare Physician Fee Schedule (MPFS). In order to allow sufficient time to develop, test, and implement the revised fee schedule, CMS will allow its Medicare fee-for-service administrative contractors to hold MPFS claims submitted with January 2013 dates of service for up to 10 business days. At this time, CMS expects Medicare Contractors should be able to begin processing 2013 claims no later than January 16, 2013.

As with the last couple of years, this hold on claims should have minimal impact on physician/practitioner cash flow because most Medicare beneficiaries will be meeting their Part B deductible. Although, under current law, clean electronic claims are not **paid** sooner than 14 calendar days (29 for paper claims) after the date of receipt, those claims with charges applied to deductible are not subject to the payment floor.

Don't forget - this hold is not applicable to claims being processed with dates of service on or before December 31, 2012.

With this legislative change, CMS is extending the 2013 annual participation enrollment period through February 15, 2013 (must be post-marked by on or before 2/15/2013). Thus, if you changed your participation status in large part because of the reduced fee schedule, you have time to change it back if you want! Just remember, whatever you decide to do about your participation status, the effective date for processing claims remains January 1, 2013. If you changed from participating to nonparticipating for 2013 and will now be changing back to participating, depending on the volume of physicians making this change, the Contractor's enrollment department may be pretty busy, you may want to hold your claims until after your par status has been updated.

Unfortunately, as expected, Congress did not resolve the problem created by the Sustainable Growth Rate (SGR). Without a permanent fix in the SGR, the projected payment adjustment for 2014 will exceed 27 percent. There is still much to be done!