



OSMA News Now

*The Latest News, Views, Updates, and Information for Physicians
from the Oklahoma State Medical Association*

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Twenty-Seven Percent Medicare Physician Cut Now Seems Likely

Yesterday, OSMA learned that the House of Representatives held a series of votes regarding H.R. 3630, legislation that would extend an expiring payroll tax reduction and unemployment insurance benefits, as well as stop a 27.4 percent Medicare physician payment cut that is scheduled to take effect on January 1. The net result was to leave the status of 2012 payment rates in limbo.

According to the American Medical Association (AMA), action to patch the SGR before the January cut kicks in looks unlikely. Below is a summary of activity related to the SGR issue:

Votes on H.R. 3690. As originally passed by the House on December 13 by a vote of 234-193, the legislation would have provided Medicare physician payment updates of 1 percent a year for two years, followed by a return to the current negative trend line produced by the sustainable growth rate (SGR) formula. But, due to disagreements over financial offsets and other policy issues unrelated to the SGR, the legislation could not attract a sufficient number of votes to pass the Senate.

On December 17, the Senate voted 89-10 to pass an amended version of the bill that would extend all the expiring policies, including current Medicare physician payment rates, for two months. The rationale for the short-term extension was to avoid disruptions on January 1 and provide time for further negotiations on financing longer-term extensions.

House action on December 20. Following the Senate's action, a significant number of House Republicans expressed strong opposition to the two-month extension, and several relevant votes were scheduled for today. Most important of these, the House approved a resolution by a vote of 229-193 to disagree with the Senate and appoint members to a House-Senate conference committee, which would be charged with working out differences between the two versions of the bill.

Prior to the House votes today, the Senate leadership announced that the Senate would not reconvene over the holidays to engage in further negotiations and votes. In addition, members of the House are departing this evening for the holidays, after being informed that they could be called back to Washington on short notice. At this time, it does not appear likely that the outstanding issues will be resolved before January 1.

Outlook for January. On December 19, the Centers for Medicare and Medicaid Services announced that it would hold claims for 2012 physician services for 10 business days, until January 17, to avoid processing payments at the lower rate. After that date claims will be processed on a first in, first paid basis at the reduced rates until the situation is resolved.

The House is currently scheduled to return to Washington on January 17, while the Senate is scheduled to return on January 23. However, there are reports that the House, at least, may move up the date of its return to January 3.

AMA views. The AMA issued strong statements following the House and Senate votes reaffirming its opposition to any short-term patches to the SGR formula, denouncing the political brinkmanship that left the issue unresolved until Congress was adjourning, and calling for a bipartisan effort to repeal flawed and disruptive formula once and for all.

Throughout the year, the AMA has been pursuing a strategy for repealing the SGR that was developed in consultation with state medical societies and national medical specialty societies. We continued to oppose short-term remedies that serve to make future cuts deeper and the cost of permanent payment reform increasingly steep. And, throughout the year, bicameral and bipartisan support has been expressed in Congress for permanently addressing the Medicare physician payment crisis. Nonetheless, physicians and their patients once again find themselves confronting uncertainty and instability. It is long past time for Congress to act decisively and protect access to care for senior citizens and military families that rely on TRICARE—they and their physicians deserve better.

The AMA will provide additional updates on the status of the 2012 payment rates as events unfold. With the expectation that Congress will be in recess, we will defer any new grassroots messaging between now and the New Year. New grassroots messages will be available after January 1 or if Congress decides to return to Washington between the holidays. The AMA's latest grassroots messages can always be viewed at www.ama-assn.org/go/grassroots, and physicians can reach their federal legislators by telephone using our toll-free physicians grassroots hotline number: 1-800-833-6354.

Also, a link to more SGR materials can be found at www.okmed.org that includes testimonials and a brief video that can be shared with patients.

Below is a notice OSMA received from CMS regarding the 2012 Medicare Physician Fee Schedule:

CMS Medicare FFS Provider Notice

Attention Health Professionals: Information Regarding the Holding of 2012 Date-of-Service Claims for Services Paid Under the 2012 Medicare Physician Fee Schedule

The negative update under current law for the 2012 Medicare Physician Fee Schedule is scheduled to take effect on Sun Jan 1, 2012, eight business days from today. Consequently, as on numerous occasions in the past, CMS will instruct its Medicare claims administration contractors to hold claims containing 2012 services paid under the Medicare Physician Fee Schedule for the first 10 business days of January 2012 (i.e., Sun Jan 1 through Tue Jan 17). The hold should have minimal impact on provider cash flow because, under current law, clean electronic claims are not paid sooner than 14 calendar days (29 days for paper claims) after the date of receipt.

Medicare Physician Fee Schedule claims for services rendered on or before Sat Dec 31 are unaffected by the 2012 claims hold and will be processed and paid under normal procedures and time frames.

The Administration is disappointed that Congress has failed to pass a solution to eliminate the sustainable growth rate (SGR) formula-driven cuts, and has put payments for health care for Medicare beneficiaries at risk. We continue to urge Congress to take action to ensure these cuts do not take effect.

CMS will notify you on or before Wed Jan 11, 2012, with more information about the status of Congressional action to avert the negative update and next steps regarding the claims hold.