

Medicare Fee Schedule—Frequently Asked Questions June 30, 2010

As was reported late last week, Congress passed legislation that delays until November 30, 2010 the proposed 21% Medicare fee cuts. The legislation also calls for a 2.2% fee increase which is retroactive to June 1 and will continue until November 30. Over the past few days, ACA has fielded a number of questions regarding this legislation and how it impacts providers' practices. Those questions and answers are included below.

Q. When will CMS begin processing claims at the new increased rate?

CMS is currently holding all claims with June dates of services and they are loading the new fee schedules into their systems and running tests to ensure proper rates will be paid. CMS anticipates that they will begin processing claims by July 1.

Q. Do I need to do anything to have claims that were processed with the 21% reduction reprocessed?

Claims containing June dates of service that were submitted with charges greater than or equal to the new 2.2 percent update rates will be automatically reprocessed. Providers who submitted claims containing June dates of service with charges less than the 2.2 percent update amount will need to contact their local Medicare contractor to request an adjustment.

Q. To update my fee schedule in my office can I just increase the 2009 fees by 2.2%

To ensure that you are using accurate rates in your office, it is important to use the Medicare fee schedule released by your local Medicare contractor. The updated fee schedules should be posted online in the coming days, if they are not already posted.

Q. What happens after November 30, 2010?

Unless Congressional action is taken, a 23.5% fee decrease will be applied to the Medicare fee schedule. Most likely, another delay or a longer term solution to the Medicare fee schedule equation will be offered by Congress before any fee decreases can be implemented.

Q. Because of the increased rates for services, patients that I saw earlier in June would not have paid the correct copayment amounts. Do I need to go back and collect those additional amounts from my patients?

A. The Office of the Inspector General (OIG) has issued guidance on this issue at: http://www.oig.hhs.gov/fraud/docs/alertsandbulletins/Retroactive_Beneficiary_Cost-Sharing_Liability.pdf Providers can collect the additional amounts from their patients, if they choose. However, a provider is not required to collect the additional fees, if the provider chooses not to. The OIG has indicated that providers will not be subject to any penalties due to waivers of these additional copayment amounts. Generally, routinely waiving copayments is not permitted, but given the circumstance of the fee schedule issue an exception has been made.