

CLARIFICATION OF CMS “HOLD” ON JULY CLAIMS

By statute, Medicare electronic physician claims may not be paid sooner than 14 days after the date they are submitted, nor can “clean” electronic claims be paid any later than 30 days after the date they are submitted. (Paper claims are paid after the 29th day.)

The Secretary of Health and Human Services announced on June 27 that the Centers for Medicare and Medicaid Services (CMS) has instructed its carriers not to process any physician or non-physician practitioner claims for the first 10 business days of July. According to HHS, this “hold” on claims means that no payments reflecting the 10.6 percent pay reduction that took effect on July 1 would occur before July 15, at the earliest.

Clearly, the Department is trying to ease concerns about an immediate payment cut. However, its options are restricted by statutory requirements. **In fact, this announcement does not represent any significant change in policy nor does it have any impact on payments made for physician claims submitted for services provided after July 1.** By instructing carriers to withhold from processing claims for 10 days, it may save them some administrative costs associated with reprocessing claims if Congress acts promptly after the recess to stop the cut. The impact on physicians during the first 14 days of July has not changed, however. **The first claims payments physicians would receive reflecting the 10.6 percent reduction would occur on July 15, irrespective of the June 27 announcement made by the Department of Health and Human Services.**

