

What you need to know about Medicare payment cuts

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While a bipartisan bill to eliminate the sustainable growth rate (SGR) is waiting for the U.S. Senate to take action when it returns from a two-week recess, the current SGR patch ended at midnight. As a result, all physician services provided from today will be subject to a 21 percent cut.

Here's what physicians need to know about the Medicare payment cuts:

- The Centers for Medicare & Medicaid Services (CMS) is instructing its carriers to “hold” claims for 10 business days until legislation can be passed and signed into law that reverses the cut.
- The 10-day hold means that claims will be held through April 14. This is not a departure from standard practice.
- By regulation, CMS may not pay electronic claims prior to 14 days (29 days for paper claims).
- It is possible that the situation will be resolved before any claims are actually processed at the reduced rate.

The AMA anticipates that when Congress passes a bill, the restored payment rates will be applied retroactively.

By law, Medicare is required to pay physicians the lesser of the submitted charge or the Medicare approved amount. For that reason, the AMA is advising against submitting claims with reduced amounts reflecting the 21 percent cut.

The U.S. House of Representatives last week overwhelmingly approved a bill, H.R. 2, to eliminate the SGR, but the Senate was unable to agree on rules for a floor debate prior to adjourning for its April recess. Senate leaders said they will vote on the legislation when Congress reconvenes the week of April 13. The bill would set into motion Medicare physician payment reforms that will support physician practices that serve our nation's seniors and military families enrolled in TRICARE. President Barack Obama said he would sign the legislation into law, intensifying pressure on the Senate to move the bill forward. Read about the provisions of the bill at *AMA Wire*®.

The AMA will continue to advocate for Senate passage of H.R. 2 until final action is taken. Physicians should contact their senators and urge them to support H.R. 2 in any of the following ways:

- Call senators using the AMA's toll-free Physicians Grassroots Hotline at 1-800-833-6354.
- Send an urgent email to senators reinforcing the need for SGR repeal now.
- Contact senators directly through their own social media channels.