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House Rejects Senate Bill – Medicare Cuts Still Loom

On Tuesday, December 20, 2011, the US House of Representatives rejected a Senate-brokered compromise of the House's own attempt to avert the 27.4% Medicare payment cut scheduled for January 1, 2012. The House bill which passed last week, would have averted the SGR related cut for 2 years and also included 1% physician payment increases for 2012 and 2013. On Saturday, the Senate approved a modified version of the House bill, and substituted the House's 2 year SGR fix with a 2 month fix. Both the Senate and House versions are tied to the federal payroll tax extension.

In rejecting the Senate's compromise, the House sent the measure to a conference committee for negotiations. House Speaker John Boehner (R-Ohio) and Majority Leader Eric Cantor (R-Va.) have said a two-month extension of the payroll tax holiday is inadequate, and continue to push for a full-year extension. However, Democratic leaders in the Senate and House say they will not allow a conference negotiation to happen, citing that since the Senate bill was negotiated between Senate Democrats and Republicans, it is the last chance to extend the tax break [and fix the SGR].

While the Senate and House battle over the length of the SGR fix, as well as how to pay for the fix, CMS is preparing for a deadlock in Congress. In light of the ongoing disagreement, CMS has instructed its contractors to hold payments for 2012 dates of service for 10 business days. The hold is not expected to impact provider cash flow because Medicare claims are normally paid 14 calendar days after date of receipt.

If you have any questions about the SGR cuts please contact Jay Packer at (562) 809-3521 or jpacker@marinabilling.com.

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