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Medicare Physician Payment Update

Each year for the past decade, physicians have faced increased cuts in Medicare payment rates. This year, CMS made its position on the recurring SGR cuts very clear. In response to the 29.5% cut proposed for 2012, Donald Berwick, CMS Administrator, provided the following statement:

"This payment cut would have serious consequences and we cannot and will not allow it to happen. We need a permanent SGR fix to solve this problem once and for all. That's why the President's budget and his fiscal framework call for averting these cuts and why we are determined to pass and implement a permanent and sustainable fix."

The comment above was made in response to the 2012 proposed rule published by CMS outlining the payment updates for the next calendar year. Any change to the SGR system, however, must be made legislatively by Congress.

The 2012 proposed rule also included possible changes to the valuation of evaluation and management codes ("E/M" codes). CMS specifically mentioned E/M codes as an area they will assess for possible undervaluation of E/M codes.

If you have any questions, please contact Jay Packer, Director of Contracting, Compliance and Legal Services at 562.809.3521 or jpacker@marinabilling.com.