

# Medicare Reimbursement Freeze Gets One-Month Extension

Late March 2, 2010, the President signed into law [H.R. 4691](#), the **Temporary Extension Act of 2010**, which includes a provision that freezes Medicare physician payments at their current level for another month through March 31, 2010. The legislation also extends the therapy cap exception process. The extension was argued strongly by several senators because it is unfunded and includes funding for other government programs, including extended unemployment benefits and government COBRA assistance for unemployed workers.



In the hope of making the extension more meaningful, the Senate is currently debating [H.R. 4213](#) – the **American Workers, State, and Business Relief Act of 2010**, which extends the freeze on Medicare physician payments until September 30, 2010 and the therapy cap exception process through the end of the year.

## Recommendations

It will be “business as usual” for patient dates of service in March 2010, but it may be wise to prepare for similar drama and delays come April Fool’s Day. We recommend all practices consider the following as legislators debate another temporary stay:

- ✓ Through March 31, 2010 dates of service, process all Medicare claims through the normal course of business.
- ✓ Prepare for possible Medicare payment delays in for April, including the following:
  - Roughly estimate the financial impact of a Medicare reimbursement change to keep educated on your practice finances.
  - Set aside cash reserves to account for a possible slow down
  - Where possible, schedule patient procedures in March 2010
- ✓ While we do not recommend a knee-jerk response like ceasing to see Medicare patients or opting out of Medicare come April, we recommend that practices effectively manage office and surgical schedules to still see Medicare patients but have balance with non-Medicare patients.
- ✓ Lastly, because many third party payers operate on fee schedules based on Medicare reimbursement, we recommend that practices review payer contracts and address any vague language that could potentially result in lower reimbursement. Some practices may even consider contacting major payers to reach agreement (preferably written) that the Medicare change will not have a ripple effect on other payer contracts.

The U.S. health care debate has not involved retirees to any great extent to this point; however, we may see Medicare reimbursement issues creep into the discussion as legislators attempt to move on sweeping reform. We can expect even more-heated debate on Capitol Hill if health care for the largest block of American voters comes into play. Nothing is certain at this point, but we will keep you in the loop.