



June 25, 2010

Dear Clients:

As you know, a 21 percent cut in Medicare fees was scheduled to be implemented June 1. The cuts were postponed while Congress addressed the issue; and due to delays, the cuts were scheduled to take effect the week of June 14. We're pleased to announce that the scheduled cuts have been halted, and a 2.2 percent increase will be implemented retroactive to June 1, 2010. The following is the exact text of today's press release from the Centers for Medicare and Medicaid Services (CMS):

On June 25, 2010, President Obama signed into law the "Preservation of Access to Care for Medicare Beneficiaries and Pension Relief Act of 2010." This law establishes a 2.2 percent update to the Medicare Physician Fee Schedule (MPFS) payment rates retroactive from June 1 through November 30, 2010. The Centers for Medicare & Medicaid Services (CMS) has directed Medicare claims administration contractors to discontinue processing claims at the negative update rates and to temporarily hold all claims for services rendered June 1, 2010, and later, until the new 2.2 percent update rates are tested and loaded into the Medicare contractors' claims processing systems. Effective testing of the new 2.2 percent update will ensure that claims are correctly paid at the new rates. We expect to begin processing claims at the new rates no later than July 1, 2010. Claims for services rendered prior to June 1, 2010, will continue to be processed and paid as usual.

Claims containing June 2010 dates of service which have been paid at the negative update rates will be reprocessed as soon as possible. Under current law, Medicare payments to physicians and other providers paid under the MPFS are based upon the lesser of the submitted charge on the claim or the MPFS amount. Claims containing June dates of service that were submitted with charges greater than or equal to the new 2.2 percent update rates will be automatically reprocessed. Affected physicians/providers who submitted claims containing June dates of service with charges less than the 2.2 percent update amount will need to contact their local Medicare contractor to request an adjustment. Submitted charges on claims cannot be altered without a request from the physician/provider.

Physicians/providers should not resubmit claims already submitted to their Medicare contractor.

Please contact your PMC consultant if you have any questions.

Alan Fritzshall
Janet B. McLaughlin, CHBC