# Medicare Pay Law Reprieves MDs for 6 Months

*'Physicians cannot invest in change if they cannot count on payment for their services.'*

BY MARY ELLEN SCHNEIDER

President Obama on June 25 signed into law a bill that replaces the 21% Medicare physician payment cut with a 2.2% pay raise for 6 months.

The legislation (H.R. 3962) provides physicians with a 2.2% increase in their Medicare payments through Nov. 30 of this year. The change is retroactive to June 1, the date that the 21% cut officially went into effect.

Officials at the Centers for Medicare and Medicaid Services held claims from June 1 to June 18 to give Congress time to reverse the cuts, but has been paying physicians at the lower rate since then.

Now that the pay cuts have been reversed, CMS has directed its contractors to stop processing claims at the lower rates and temporarily hold all claims for services provided on or after June 1. This delay will give contractors time to adjust their claims processing systems.

CMS said processing claims at the increased pay rate will begin no later than July 1.

Medicare will also begin reprocessing any June claims that were paid under the 21% cut.

Physicians should not resubmit those claims, but may need to contact their local Medicare contractor to request an adjustment, according to CMS.

Under the law, Medicare must pay physicians the lower of either their submitted charge or the Medicare Physician Fee Schedule amount.

Claims with submitted charges at or above the new 2.2% increased rate will be automatically reprocessed. But if physicians submitted claims in June with charges below the new increased rate, they must request an adjustment, according to CMS.

While physicians welcomed the temporary reprieve, they remain dissatisfied with the lack of congressional action on a permanent solution to the recurring Medicare payment cuts. The American Medical Association noted that without further action from Congress, physicians will face a 23% cut in December that will increase to nearly 30% in January 2011.

"Congress is playing a dangerous game of Russian roulette with seniors' health care. Sick patients can't wait. Congress must replace the broken payment system before the damage is done and cannot be reversed," Dr. Cecil B. Wilson, AMA president, said in a statement. "The baby boomers begin entering Medicare in 6 months, and if the physician payment problem isn't fixed, these new Medicare patients won't be able to find a doctor to treat them."

The instability of the current payment system doesn't just affect Medicare, but will have a significant impact on the future success of health reform, according to the American Academy of Family Physicians. The Affordable Care Act calls on physicians to change their practices through the adoption of health information technology and new practice models, both of which require time and money to implement. "Physicians cannot invest in change if they cannot count on payment for their services," Dr. Lori Heim, AAFP president, said in a statement

Even the President is urging Congress to come up with a permanent replacement for the Medicare physician payment formula. Before signing the bill, he released a statement saying that the practice of temporary payment patches was "untenable" and must end.

On June 24, the House of Representatives passed H.R. 3962 by a vote of 417-1. The Senate approved the measure on June 18. ■

# DXA Access Concerns Remain Despite Payment Increase

BY MARY ELLEN SCHNEIDER

Medicare officials have temporarily increased payments for performing dual-energy x-ray absorptiometry, but osteoporosis experts say the boost isn't likely to make much of a difference in the number of physicians offering the service.

Under the health reform law—formally known as the Affordable Care Act—Congress instructed officials at the Centers for Medicare and Medicaid Services to increase DXA payments to 70% of the rate paid by Medicare in 2006. For example, nonfacility fees for CPT code 77080 increased from about $45 to $98. The same service was paid at about $143 in 2006, according to estimates from the American College of Rheumatology.

While the increased payments began on June 1 and are retroactive to Jan. 1, 2010, they also expire at the end of 2011. In the meantime, Congress has called on the Institute of Medicine to study the impact of past DXA payment reductions on patient access.

The American College of Rheumatology hailed the increase as a victory for physicians.

But even with the additional reimbursement, physicians are not likely to get back into the DXA business if they have already gotten out, said Dr. David Goddard, a rheumatologist in private practice in Brooklyn, N.Y., and a member of the ACR's government affairs committee. However, it could motivate others who were on the fence to continue to offer the service.

One of the big determinants going forward is likely to be the cost of the equipment, he said. The average lifespan of a DXA scanner is about 8-10 years, depending on usage, and physicians will be faced with the question of whether the payment level makes it worthwhile to purchase a new machine.

**Even with additional reimbursement, physicians are not likely to get back into the DXA business if they have already gotten out, largely because of equipment costs.**

Steep cuts to DXA services began in 2007, after Congress included bone densitometry among a group of other imaging services that were slashed as part of the Deficit Reduction Act of 2005.

Since then, physicians have been struggling to cover their costs as reimbursement steadily declined from around $140 in 2006 to about $45 in the first half of this year.

Adding to the problem is that private insurers have largely followed the lead of Medicare and have been ratcheting down their rates over the years as well, Dr. Goddard said.

Patient access to the bone densitometry services depends in large part on geography, Dr. Goddard said.

Generally, patients who live near large urban centers will have little difficulty finding bone densitometry testing in either a medical center or a specialist's office. However, patients in rural areas are likely to have a harder time accessing the same services, he said.

"The whole thing is nonsensical anyway because it's a very low cost test with a reasonably high predictive value," Dr. Goddard said. "So in terms of identification of people at risk, it's very cost effective."

At this point, it is physicians' concern for patients, not the payment, that motivates them to continue to offer bone densitometry services, said Dr. Steven Petak, immediate past president of the American College of Endocrinology and director of the Osteoporosis and Bone Densitometry Unit at the Texas Institute for Reproductive Medicine and Endocrinology in Houston.

Dr. Petak said a reasonable number of physicians will continue to perform DXA studies, but that number is likely to drop dramatically if Congress allows payment cuts again in 2012.

The problem that the medical community has had in advocating for higher payments for DXA studies is that the government isn't considering the full potential for savings from prevention of fractures, Dr. Petak said. For example, when estimating the cost of DXA payments in legislation, the Congressional Budget Office will consider the cost of utilization of DXA in Medicare Part B, but won't count potential savings to Medicare's Part A, which includes hospitalization costs.

"You can't look at the cost outlay in isolation. You have to look at how it's going to impact the preventive health care of the population," Dr. Petak said. "That's something that the government has failed to do."

The outlook for gaining a permanent payment increase for DXA services is pretty bleak, at least for now.

It's difficult to convince Congress to spend money on anything in the current political environment, Dr. Petak said, even if it will result in savings down the line.

"I think [Congress will] play politics with it and any kind of cost outlay will be met with resistance," Dr. Petak said.

Dr. Goddard agreed with that assessment, citing the failure of Congress to come to consensus on how to address the impact of the Sustainable Growth Rate (SGR) formula on Medicare physician payments.

"If we can't get something fundamental like [the SGR] fixed, osteoporosis and bone densitometry is sort of, for them, a little blip on the radar," Dr. Goddard said. ■