SGR Cut Delayed Again, but Only Until June 1

BY ALICIA AULT

President Obama signed legislation on April 15 giving physicians another temporary reprieve from the 21% Medicare pay cut that, for all intents and purposes, was scheduled to go into effect at midnight.

The reduction in pay has now been deferred until June 1.

The fate of Medicare's physician fees was in doubt as late as the afternoon of the 15th.

The Senate spent most of the week debating a bill (H.R. 4851) that would delay the cuts mandated by the Medicare sustainable growth rate (SGR) formula as well as extend unemployment benefits and federal subsidies for COBRA benefits.

The Senate finally approved the bill, with the House doing so in quick succession. The President signed it shortly thereafter.

The Congressional Budget Office estimated the cost of this brief delay in the pay cuts at $2.1 billion, the second most costly aspect of the bill after unemployment benefits extension, at almost $12 billion.

The pay cut technically went into effect on April 1, but the Centers for Medicare and Medicaid Services (CMS) held all claims submitted from that date until April 15, in anticipation that Congress would reverse the SGR cuts retroactively.

But on the afternoon of the 15th, CMS officials noted in a statement that claims with dates of service on or after April 1 would be processed at the lower rate "as soon as systems are fully tested to ensure proper claims payment."

Physician groups were not pleased and began chiding members of Congress for their lack of action.

After the cut was delayed again, Dr. J. James Rohack, president of the American Medical Association, said in a statement, "Congress must now turn toward solving this problem once and for all through repeal of the broken payment formula that will hurt seniors, military families, and the physicians who care for them."

Dr. Rohack also warned—again—that physicians are starting to limit new Medicare patients.

"It is impossible for physicians to continue to care for all seniors when Medicare payments fall so far below the cost of providing care," he said.

"If the formula is not repealed, the problem will continue to grow," he added. ■