

AS CONGRESS PUNTS PHYSICIAN PAYMENT FIX, EXPERTS TOUT PROACTIVE OVER RETROACTIVE PATCH

The President recently signed another short-term spending bill without a Medicare Physician Fee Schedule (MPFS) payment fix. Physicians are keeping pressure on Congress to act -- and experts are touting the merits of a proactive patch over a retroactive one that could result in billing problems.

Medicare physician payment cuts kicked in January 1, 2024 and CMS only had flexibility to hold claims for two weeks. Physician practices are now facing cuts -- though they remain optimistic Congress will ultimately step in.

The American Medical Association (AMA) implored lawmakers to reverse the cuts "at the soonest opportunity."

Health policy experts are now parsing the merits of a proactive conversion factor increase as the possible best solution for physicians, especially if lawmakers don't act until March when the short-term concurrent resolutions are set to expire. Physical practices recently told CMS that a retroactive physician payment fix would create rebilling turmoil for patients and providers alike.

Medicare's 3.7% conversion factor cuts are already impacting providers, and researchers and lobbyists are warning a potential fix will take time to sort out.

Medicare Administrative Contractors (MACs) can hold claims for up to 14 days, but after that point, they need to start reimbursing. With no fix to MPFS conversion factor cuts currently in place, MACs have begun reimbursing at a rate 3.37% lower than in years previous.

A retroactive fix would come with some serious complications because MACs would have to reprocess all the claims they'd already paid at the lower rate, which lobbyists have already said could run them into issues with civil monetary penalties.

The Medical Group Management Association raised concerns that rebilling would cause a significant administrative burden and would require providers to rebill tiny sums that in some cases wouldn't cover the cost of the administrative process.

If Congress opted for a proactive fix, there is precedent on how to do a partial-year fix without creating the kinds of administrative obstacles a retroactive fix would cause.

Physicians ultimately would like to see permanent reform of the payment system. There are many perceived issues with the current MPFS payment structure, including a lack of an inflationary update and a budget neutrality requirement that causes CMS to make across-the-board cuts to the conversion factor when it increases payment rates for individual MPFS services.