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SGR Cut Delay Legislation Passes, Includes ICD-10 Delay

On March 31st, the U.S. Senate passed House Resolution 4302 (H.R. 4302), which delays scheduled cuts to the Medicare Professional Fee Schedule (MPFS) due to the Sustainable Growth Rate (SGR) formula. This cut, which was originally delayed late last year, currently sits at a 24% decrease. Once H.R. 4302 is signed by President Obama, these cuts will be delayed through March 31st of 2015 and it will continue the 0.5% increase to the Conversion Factor (CF), which was originally enacted for the first quarter of 2014. President Obama has already acknowledged that he will sign the Resolution as soon as it is on his desk, but CMS has asked contractors to hold claims with April 1 through April 14th dates of service to allow for any delays.

What was more surprising in H.R. 4302 is a one year delay to implementation of ICD-10. In recent months, CMS expressed no interest in delaying this implementation any longer. This action pushes the effective date of ICD-10 to October 1, 2015. There were a few other items affecting policy and reimbursement including:

- Extension of the Medicare work Geographic Practice Cost Index (GPCI) floor for 1 year.
- Extension of the Medicare therapy cap exception process for 1 year.
- Extension of the Medicare ambulance add-on payments for 1 year.
- Extension of the Medicare adjustment for Low-Volume hospitals for 1 year.
- Extension of the Medicare-dependent Hospital (MDH) program for 1 year.

Diverting these cuts is good in the short-term, but discouraging from a sense of implementing a long-term solution to this annual issue. From an ICD-10 perspective, APS remains ICD-10 ready with submission testing with CMS completed this first quarter of 2014. We will continue to monitor this and all other issues affecting your business. Please contact your Practice Manager, if you have any additional questions or concerns.