SGR Cuts and Sequestration Delayed

In a bi-partisan vote January 1st, 2013 the House of Representatives voted 257-167 in favor of the Fiscal Cliff legislation. The approved plan maintains tax cuts for individuals earning less than $400,000 and couples earning less than $450,000 and raises taxes that make more. The legislation also directly impacts reimbursement in 2 ways:

1. The SGR cut of 26.5% is rescinded and the Conversion Factor for the physician fee schedule will be frozen for 1 year
   a. Due to the timing of this ACT, computer systems have to be revised by Medicare to accommodate the change.
      i. CMS announced that Medicare may hold MPFS claims with January 2013 dates of service for up to 10 days, to allow time to develop, test and implement the revised payment rates. Medicare expects these claims to be processed no later than 1/16/2013.
   b. Current Medicare Professional Fee Schedule should be posted on their website no later than 1/23/2013.

2. The 2% sequestration cut, scheduled to take effect this week, is postponed until early March.

These delays provide temporary relief to physicians across all specialties. It will be up to the next Congress to determine if the sequestration cuts will be enacted in March, or if it will be replaced with other cuts in federal spending or higher taxes. APS will keep you up to date as these issues continue to unfold. If you have any questions in the meantime, please contact your account representative.