Congress Yet to Address Proposed Medicare Payment Cuts

By Julie Engebretson

As we go to press, members of the U.S. Congress have left Capitol Hill to tend to election matters in their home states, shelving discussions regarding two impending cuts to Medicare reimbursement rates pending a "lame duck" session to be held sometime thereafter.

By failing to address the proposed cuts, peace of mind among chiropractors and many in the Medicare provider community hangs in the balance.

Medicare providers are currently facing reductions in overall Medicare reimbursement due to a Sustainable Growth Rate (SGR) formula - a complex design that would govern the amount of total funds available for reimbursement. Its intent is to control Medicare’s growth. Threat of SGR implementation has loomed each year for the past several years; however, Congress, under intense grassroots urging, has managed to enact "stopgap measures" on an annual basis that have consistently prevented the proposed SGR-related cuts. As 2007 approaches, the same threat has resurfaced. The current SGR formula mandates a reduction in payments of 5.1 percent for all physicians effective Jan. 1, 2007; the payment reduction will go into effect on that date unless Congress enacts stopgap legislation once again to stave off any reduction.

In addition to SGR cuts, a second reduction in reimbursement rates was proposed in the June 29, 2006 Federal Register (71 Fed. Reg. 37170). Earlier this year, the Centers for Medicare and Medicaid Services (CMS) announced a plan to revise the way "relative value units" (RVUs) are calculated under the Medicare physician fee schedule. CMS wishes to offset an increase in payments to physicians who use higher-level evaluation and management (E/M) services by applying a budget neutrality adjuster across all work RVUs for any health care services by 10 percent. This adjuster can result in significantly different outcomes depending on the codes a given provider community uses. According to the American Chiropractic Association (ACA), the overall result of these changes would give primary care doctors an increase in their reimbursement rates, while chiropractors, many allied health professionals and some MDs would see dramatic decreases because of the "budget neutrality" adjuster.

If both the SGR and "budget neutrality" factors hit on Jan. 1, 2007, chiropractors are in for a 13.1 percent decrease to their Medicare reimbursement rates. The ACA and similarly affected allies have been busily...
lobbying Congress to fix both reimbursement issues. However, given the elections, no such fix is expected before Jan. 1 - a familiar delay. Last year, when the 2006 SGR cut was proposed, Congress did not approve the needed stopgap until February, a full month after the 2006 cut went into effect. While Congress froze the rates at 2005 levels, the freeze was made retroactive to Jan 1.

As noted, the "budget neutrality" issue is not slated to negatively affect the entire Medicare provider community - thus, the entire community isn’t necessarily unified against these CMS-proposed changes. However, the SGR measure does affect practicing physicians across the entire Medicare provider community, and common ground exists on which to plant much-needed grassroots action.

Concern surrounding the SGR-related cuts has resurfaced annually for the past several years. The ACA, in addition to seeking an immediate delay, is aggressively advocating for a more long-term policy solution that would bring about more accurate physician reimbursement.

"Congress needs to act to halt or fix each of these cuts. CMS should explore ways to value patient time without reducing patient access to care by providers who would be forced to limit services due to such severe reimbursement cuts," said ACA President Richard Brassard, DC. "Preventing these cuts will ensure that Medicare beneficiaries continue to have access to valuable health care services, including doctors of chiropractic."

The ACA advises all doctors of chiropractic to contact members of Congress and urge them to take action to prevent the 5.1 percent decrease to the SGR from taking effect; and to delay implementation of the proposed rule, as published in the June 29, 2006 Federal Register, for at least one year and direct CMS to determine the effect this proposal will have on patient access. According to the ACA, preventing these cuts will ensure that Medicare beneficiaries continue to have access to valuable health care services; in delaying implementation, Congress should require CMS to determine the impact that these severe payment cuts will have on patient access to services.

To contact your state legislator, call the Capitol switchboard at 202-224-3121 or visit the ACA Legislative Action Center at www.acatoday.com. A copy of the ACA’s comments to CMS on the "budget neutrality" rule, discussion points, and an article published in the October issue of ACA News also are available online.

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