



The Monthly Update of Texas Healthcare News

TEXAS HEALTH LAW NEWSBRIEF



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SPECIAL REPORT

MEDICARE CUTS STOPPED CONGRESS OVERRIDES PRESIDENTIAL VETO

As predicted, when the U.S. Senate returned from the 4th of July holiday, they reconsidered and passed the Medicare bill (Senate Bill 3101 - House Bill 6331) that would halt the pending 10.6% cut. On July 15, 2008 President Bush vetoed the bill because he said it cut the Medicare Advantage Program. The President said he supported the bill's intent, stopping physician fee cuts, but said he opposed what he perceived as taking choices away from seniors.

Congress reconvened later that day and overrode President Bush's veto of the legislation. The House of Representatives voted 383-41 to overwrite the presidential veto, and the Senate voted 70-26. The Medicare bill is now the law because of the super majority vote in both the House and Senate.

Although the halt to cut physician payments is what brought the Medicare bill the most attention, it does much more than that. The key provisions of the Medicare bill include:

- Stops the 10.6% cut to physician payments for the next 18 months [July 2008 – 2009.]
- Provides a 1.1% increase in physician payments for Medicare in 2009.
- Brings co-pays for mental health services in line with other Medicare co-pays.
- Extends the geographical practice cost index, which protects many physicians practicing in Texas.
- Offers bonus payments to doctors who adopt e-prescribing tools.
- Requires Medicare advantage private fee-for-service plans to form provider networks.
- Increases coverage for preventative healthcare services.
- Requires prompt payment of Part D drug plans to pharmacies.

CMS said physicians should begin receiving updated rates about ten (10) days after the bill was passed. CMS also said, "claims with dates of service July 1 and later billed with a submitted charge at least at the level of the January 1-June 30, 2008 fee schedule amount will be automatically reprocessed...any lesser amount will require providers to contact their local contractor for direction on obtaining adjustments. Non-participating physicians who submitted unassigned claims at the reduced non-participating amount also will need to require an adjustment."

Physicians are encouraged to monitor their Medicare payments for July 2008 closely to ensure payments are made at the appropriate amount.

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