

CMS issues the FY 2011 proposed final rule for the Physician Fee Schedule and it could pack a big punch for therapists providing Part B services.

On July 13th CMS *issued the Interim Final Rule* for the physician fee schedule and provided a *huge hit for the therapy profession* that could result in a **13% reduction in reimbursement**. They are proposing what is called a multiple procedure payment reduction or MPPR. The gist of the proposal is that the professional billing the CPT code is being paid twice when they perform more than 1 procedure during a visit. The CPT code payment is based on Relative Value Units (RVU) consisting of practice expenses, malpractice costs and work value.

The new regulation proposes that we are being reimbursed more of the practice expense when a second or third unit is provided. Therefore the first, most expensive unit will be paid in full, followed by a **reduction of 50% of the practice expense** for all other billed codes. It is estimated that this will result in approximately a 12 to 13% overall reduction in payment.

The rule then adds a follow through punch by indicating that now the beneficiary will be able to receive more therapy before reaching the cap!!!!!!!

On Monday, Rep Earl Pomeroy (D-ND) sent a letter, to the CMS Administrator Donald Berwick, MD, to express concern over the agency's proposal to significantly cut payment for outpatient therapy services in the proposed rule. This letter was signed by a total of 68 members of Congress. The letter also asked that CMS provide Congress with a detailed explanation of the methodology used to calculate the new rates and requests that the agency work closely with stakeholders in the rehabilitation community toward the production of a final rule that will not adversely affect access to care, particularly in rural and other underserved areas.

As Secretary Sebelius stated in a webcast for seniors, the new health care plan would not reduce the Medicare benefits, they would remain the same. The way the new plan would be paid for would be through reductions to the providers for their services.

Add another zinger to this and, come December 1st, **the 21% reduction in the fee schedule** that was delayed will come back into effect along with another reduction for 2011 unless Congress acts and corrects the flawed SGI.

What can you do about it? Get hold of your representatives and let them know that the profession will be decimated by such cuts, and let Secretary Sebelius tell the Medicare beneficiaries that, yes, they still have all of their benefits but unfortunately, there may be very few professionals who can afford to provide them.

Disclaimer:

Encompass Consulting & Education, LLC has produced this article as an informational reference for the readers of our E-Zine. The information contained in this article is current as of the time of publication.

Medicare regulations are constantly changing and it is the responsibility of the provider to remain abreast of the Medicare program requirements. Any regulations, policies and/or guidelines cited are subject to change at any time. Current Medicare regulations can be found on the CMS website at www.cms.hhs.gov

As always, the provider should be aware of other regulations that might supersede the Medicare payment guidelines such as the State Practice Act and the State Administrative Code. In any scenario, the practitioner must go with the most stringent requirement in order to be compliant.

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