



TO: All ASCRS/ASOA Members
Date: June 17, 2010

Senate Continues to Debate Tax-Extenders Legislation With No End in Sight; Centers for Medicare and Medicaid Services (CMS) Currently Scheduled to Process Claims Reflecting 21% Reduction on June 18

Today, the Senate continues to debate the revised, scaled-back tax-extendors legislation, H.R. 4213, which now includes a 6-month SGR "fix" of a 2.2% update that would expire on November 30, 2010. As we reported last night, due to the lack of support for the original Baucus substitute amendment, which included a 19-month SGR "fix", Senator Baucus (D-MT) introduced a revised substitute amendment that scaled back spending and included additional funding offsets. In addition to the SGR provision, the legislation would increase federal Medicaid funding and extend various expiring programs. The Senate leadership had planned to vote on the package today, but we are hearing that the revised package still lacks the bipartisan support needed to reach the 60-vote threshold required to end debate and pass a final bill. Senate Majority Leader Harry Reid (D-NV) has scheduled a cloture vote for tomorrow.

An amendment offered by Senator John Thune (R-SD), which included a 2.0% update in Medicare physician payments for the remainder of 2010 and all of 2011 and 2012, followed by a reduction of over 30% and an additional statutory reduction of 4%, was defeated by a vote of 41-57. The Thune amendment also included medical liability reforms.

As we have reported, because the Senate is considering changes to the original House-passed H.R. 4213, the bill will have to be sent back to the House for passage. House leaders have indicated they are prepared to stay in session late tomorrow to vote on the amended bill, but at this time it is not certain that the Senate will be able to complete consideration before the weekend.

Claims Processing With 21% Reduction Currently Scheduled to Begin June 18

If legislation is not signed into law before this weekend, CMS has indicated that it will instruct its contractors to begin processing Medicare claims for physician services provided in June at rates that reflect the 21% reduction on a rolling basis. Once the Congress acts to avert the reduction, claims will be reprocessed as follows:

- If the submitted charge is higher than the new rate, the contractor will automatically reprocess the claim.
- If the submitted charge is lower than the new rate, the physician should call the contractor.

If CMS modifies this policy, we will update you. We will also keep you updated on the congressional action. If you have any questions, please contact ASCRS Director of Government Relations, Nancey McCann at nmccann@ascrs.org.

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