Payment Cut Averted!

Increased 2008 Medicare Physician Fee Schedule Payment Rates

Retroactive for Dates of Service July 1, 2008 through December 31, 2008

Following an overwhelming override of a presidential veto, the Medicare Improvements for Patients and Providers Act of 2008 (H.R. 6331) became law on July 15, 2008. As a result, the mid-year 2008 Medicare Physician Fee Schedule (MPFS) payment cut of 10.6 percent has been replaced with a 0.5 percent increase retroactive to July 1, 2008 through December 31, 2008 and an additional 1.1 percent increase for 2009.

Medicare contractors are working to update their payment systems and should begin paying providers at the 0.5 percent increased rates in approximately 10 business days, or less. Claims that were processed and paid at the reduced rate (assuming the provider charges were not less than the reduced fee schedule amount) will begin to automatically reprocess at the higher rate.

For additional information about this bill and how your practice’s fee schedule compares to the Medicare fees for your locality, please contact PYA at (800) 270-9629.