



## GOVERNMENT & MEDICINE


# White House asks for Medicare bill by mid-June

**The AMA called for quick action and signaled that it might accept a phased-in electronic prescribing requirement if certain stipulations are met.**

By [David Glendinning](#), AMNews staff. May 26, 2008.

**Washington --** Lawmakers hoping to block a July 1 Medicare physician payment cut must get a bill to President Bush by the middle of June or risk implementation problems, according to the administration.

If Congress were to pass such a measure, the Centers for Medicare & Medicaid Services would need a couple of weeks to amend payment instructions and send them to Medicare carriers so that physicians don't see their pay reduced by 10.6% starting in July, said Herb B. Kuhn, the agency's deputy administrator. The Bush administration has not weighed in for or against legislation.

- [Discuss on Sermo](#) 
- [Medicare uncertainty](#)
- [See related content](#)
- Topic: [Electronic medical records](#)
- Topic: [Medicare payment](#)

If a bill is not approved by mid-June, some claims likely would be paid at the reduced rate and would need to be corrected retroactively. The situation is made more complicated by the fact that the payment change would be happening outside of CMS' usual yearly cycle.

"It's a midyear switch, and it's a major deal," Kuhn said. "It has to be seamless."

The CMS deputy passed along this warning to lawmakers in testimony to the House Committee on Small Business at a May 8 hearing on the issue. Cecil B. Wilson, MD, immediate past chair of the American Medical Association Board of Trustees, emphasized the need for quick congressional action.

"In order for CMS to implement physician payment rate changes by July 1, 2008, the agency would need substantial lead time," Dr. Wilson stated in written remarks accompanying his testimony. "Otherwise, CMS, Medicare carriers and physician practices must implement such changes on a retroactive basis, which becomes administratively confusing and costly."

The problem facing physicians and Medicare officials is that none of them knows exactly what lawmakers hope to pass before July 1.

Senate Finance Committee Chair Max Baucus (D, Mont.), who has taken the lead on this issue, has said he will pursue an 18-month payment patch that would freeze Medicare rates for the rest of the year and then provide a modest update for all of 2009.

The AMA is calling for an 18-month measure that would replace pay cuts with increases that better track the costs to doctors of providing medical care. But at press time in early May, no

legislative language or detailed summary had emerged. Committee aides said details might not be available until early June.

That would leave very little time before CMS' June 16 target for Congress to hash out details and schedule votes in both houses. Some experts said lawmakers likely would not even have time to finish the job before July begins.

In this scenario, Congress probably would pass a retroactive cut reversal after July 1, but the damage already would have occurred, said Julius W. Hobson Jr. He is a senior policy adviser with the law firm Powell Goldstein LLP in Washington, D.C. By then, many physicians may have made the decision to stop accepting new Medicare patients even with the promise that they could go back and refile claims for the higher rates.

"You're talking about a supplemental claim for 27 cents per patient," Hobson said. "It's too labor-intensive to go after that kind of money. [Physicians are] more likely to just stop taking Medicare patients."

Small practices that are trying to plan for the future amid payment uncertainty are especially vulnerable to financial pressures and might have to restrict or cut the numbers of Medicare patients they see, said several physician witnesses at the House committee hearing. Some physicians already have become fed up with the congressional habit of last-minute patches and retroactive actions.

"We don't know when to depend on our next pay cut," said Charles D. Mabry, MD, a general surgeon in Pine Bluff, Ark., on behalf of the American College of Surgeons.

### **AMA's new e-prescribing framework**

Medicare payment to physicians is not the only policy issue on the table for the upcoming legislation. Senate aides said lawmakers are considering a roughly \$15 billion to \$18 billion, five-year measure that could include a number of other provisions that would affect physicians.

One potential item attractive to lawmakers is a federal requirement that doctors who order drugs for Medicare beneficiaries use electronic prescriptions instead of paper ones.

The money saved from avoiding drug duplication and medication errors could be used to help pay for the physician pay provision or other health spending in the legislation, proponents said.

The AMA had opposed an e-prescribing mandate on physicians but said it could be open to a requirement as long as it is phased in appropriately. Speaking at a May 9 event at the Brookings Institution in Washington, D.C., AMA Board of Trustees member Steven J. Stack, MD, outlined a new framework backed by the Association. He said physicians were eager to adopt the technology but noted that CMS has not completed a needed set of e-prescribing standards for Medicare.

"Any e-prescribing requirement that triggers potential penalties should be deferred until two years after final standards are in place," Dr. Stack said. "This will allow physicians to acquire and implement e-prescribing tools and train their staff."

The AMA guidelines also call for financial incentives for physicians who implement e-prescribing technology, as well as exceptions to the requirements for small and rural practices.

[Back to top.](#) [Discuss on Sermo](#)

---

**ADDITIONAL INFORMATION:****Medicare uncertainty**

In a recent survey of more than 1,000 physician practices, respondents reported the steps they have taken since the beginning of the year in anticipation of the possible 10.6% Medicare payment cut set to begin on July 1.

Refused to accept or limited the number of new Medicare patients	23.5%
Limited the number of appointments for Medicare patients	10.9%
Ceased treating all Medicare patients	0.3%

Source: Medical Group Management Assn., March

[Back to top.](#)

---

Copyright 2008 American Medical Association. All rights reserved.

**RELATED CONTENT** *You may also be interested in:*[MedPAC advises raising primary care pay](#) May 5[Part D standards aim to encourage e-prescribing](#) April 28[Physicians press lawmakers to stop Medicare pay cuts](#) April 21

[American Medical Association](#) - [AMNews home](#) - [Latest issue](#) - [Site info](#) - [About](#) - [Contact](#)