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## MEMORANDUM

**TO:** RHCF and Community Services Providers

**FROM:** Patrick Cucinelli, Senior Director of Public Policy Solutions

**DATE:** March 2, 2010

**SUBJECT:** Medicare Part B Rate Reduction and Therapy Caps

**ROUTE TO:** Administrator, CFO

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ABSTRACT: Medicare Part B rate cut suspended.

**Important Note:** Updated information since the release of original memo.

Important Message from CMS on Medicare Part B and Therapy Caps

On March 2, 2010, President Obama signed into law the “Temporary Extension Act of 2010.” Among other things, this law extends through March 31, 2010, the zero percent update to the Medicare Physician Fee Schedule that was in effect for claims with dates of service January 1, 2010, through February 28, 2010. Consequently, effective immediately, claims with dates of service March 1 and later which were being held by Medicare contractors will be released for processing and payment. Please keep in mind that the statutory payment floors still apply and, therefore, clean electronic claims cannot be paid before 14 calendar days after the date they are received by Medicare contractors (29 calendar days for clean paper claims).

In addition, the new law extends through March 31, 2010, the exception process for therapy claims reaching the annual cap, retroactive to January 1, 2010. Affected providers may submit claims for exceptions to the annual therapy caps, with dates of service January 1 through March 31, 2010, using the KX modifier, following the pre-January 1, 2010, requirements for therapy cap exceptions.

**Acton Needed**

NYAHSA and AAHSA are continuing to advocate with Congress for a final resolution. If you have not already done so, please go to the <http://capwiz.com/aaaha/home/> Web site and make sure that Congress hears from you on the critical need to resolve both these issues.

Please contact me with any questions at [pcucinelli@nyahsa.org](mailto:pcucinelli@nyahsa.org) or call 518-449-2707 ext. 145.