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## MEMORANDUM

**TO:** RHCF and Community Services Members

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

**DATE:** March 29, 2010

**SUBJECT:** Medicare Part B Rates and Therapy Caps

**ROUTE TO:** Administrator, CFO

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ABSTRACT: Congress extends therapy caps exceptions process, but leaves Part B rate issue unresolved.

On March 23, 2010, the President signed into law [\*HR 3590 Patient Protection and Affordable Care Act \(the Act\)\*](#), generally referred to as the Health Care Reform legislation. Section 3103 of the Act extends the therapy caps extensions process through December 31, 2010. Combined with the temporary extension already in place ([NYAHS Doc ID # n00004355](#)), this results in the exceptions process being applicable to claims for the full 12 months of this year.

Congress, however, failed to act on an extension of the override to the 21.2 percent reduction in Part B rates under the Medicare Physician Fee Schedule (MPFS). The *Temporary Extension Act of 2010* ([NYAHS Doc ID # n00004355](#)) had previously extended the zero percent update to the Medicare Part B rates through March 31, 2010. The latest jobs bill currently under debate extends that relief until October 1, 2010, but Congress is still in the process of taking final action.

NYAHS anticipates that Congress will implement this further extension, thus keeping Part B rates at the same level as the first quarter of this year. In the mean time, however, the Centers for Medicare and Medicaid Services (CMS) is asking all providers to hold claims containing services paid under Part B for the first 10 business days of April. Just like the process followed in anticipation of the previous extension, CMS believes that this should not affect cash flow since electronic claims are not paid until 14 days after the date of receipt.

NYAHSa is closely monitoring the situation and will advise members on any breaking news.

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