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## MEMORANDUM

**TO:** RHCF and Community Services Members

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

**DATE:** July 9, 2010

**SUBJECT:** **New Medicare Part B Rates Available**

**ROUTE TO:** Administrator, CFO, Billing Director

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ABSTRACT: Rate calculation tool now available for updated Medicare Part B rates.

### Introduction

On June 25, 2010, President Obama signed into law the [\*Preservation of Access to Care for Medicare Beneficiaries and Pension Relief Act of 2010\*](#). This law establishes a **2.2 percent average increase** to the Medicare Physician Fee Schedule (MPFS) payment rates retroactive from **June 1 through November 30, 2010**. The MPFS covers Medicare Part B rates for ancillary services provided in the nursing homes and home care.

### Claim Filing

The Centers for Medicare & Medicaid Services (CMS) has directed Medicare claims administration contractors to discontinue processing claims at the previous negative update rates and to temporarily hold all claims for services rendered June 1, 2010, and later, until the new 2.2 percent update rates are tested and loaded into the claims processing systems.

Claims containing June 2010 dates of service which have been paid at the negative update rates will be reprocessed as soon as possible. Under current law, Medicare payments to physicians and other providers paid under the MPFS are based upon the lesser of the submitted charge on the claim or the MPFS amount. Claims containing June dates of service that were submitted with charges greater than or equal to the new 2.2 percent update rates will be automatically reprocessed. Affected physicians/providers who submitted claims containing June dates of

service with charges less than the 2.2 percent update amount will need to contact their local Medicare contractor to request an adjustment. Submitted charges on claims cannot be altered without a request from the physician/provider. Physicians/providers should not resubmit claims already submitted to their Medicare contractor.

NYAHSa has also learned that the hold on Part B claims processing has resulted in a significant backlog. Providers may experience slower Part B claims processing until the backlog is eliminated. CMS has ordered its contractors to process claims at 150 percent of their normal workload until the situation is cleared up, most likely by late July. NYAHSa is closely monitoring this situation.

## **New Rates**

Additional details on the June 1 update are available on the CMS Web site at: <https://www.cms.gov/PhysicianFeeSched/>. The new conversion factor for services furnished during the time period of June 1 through November 30 is **\$36.8729**.

To calculate Medicare Part B rates for selected therapy services please refer to the AAHSA Web site ([www.aahsa.org](http://www.aahsa.org)) and click on *Providers*, then click on *Nursing Homes*, and then *Therapy Payment*. The Excel™ spreadsheet under *Medicare Part B Rate Calculation Tool June 1 – Nov. 30, 2010* has detailed instructions and easy to use drop down features for calculating Part B rates. If any member has difficulty accessing the spreadsheet or needs assistance please contact me.

The National Government Services ([www.ngsmedicare.com](http://www.ngsmedicare.com)) Web site has also been updated to reflect the new Part B rates. Simply log in under *Medicare Part B* as a *New York* provider and click on *Fee Schedules*. Here you will find the complete listing of all codes billed under Part B. For most organizations the *Par* amount applies. The general exception is for those providers who have not agreed to accept Medicare as payment in full and would bill the *Non-Par* amount.

## **Conclusion**

NYAHSa and AAHSA advocacy played a critical role in persuading Congress to pass this increase, and override the 21.2 percent negative adjustment. NYAHSa wishes to acknowledge and thank our members who continued to advocate for this important correction.

Again, please contact me at [pcucinelli@nyahsa.org](mailto:pcucinelli@nyahsa.org) or call 518-449-2707 ext. 145 for any assistance.