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House Expected to Vote Today on Bill to Prevent Medicare Physician Fee Cut

Later today, the U.S. House is expected to begin consideration of a revised “extenders” package, which includes an AOA-backed provision that would prevent enactment of a massive 21 percent cut in Medicare payments scheduled to take effect June 1, 2010. The measure would also avert scheduled cuts through 2013 and provide ODs and other physicians with a modest payment update this year and next. However, concerns over the bills’ \$200 billion price tag and increased partisan wrangling are fueling growing concerns that Congress may fail to act before the May 31 deadline.

The “extenders” bill (HR 4213), which is a package of tax cuts and social spending, would prevent the June 1 enactment of a more than 21 percent fee cut, provide a 1.3 percent statutory payment update for the remainder of 2010 and an additional 1 percent for 2011. For 2012 through 2013, updates would be determined by two spending targets proposed by legislation which passed the House earlier this year (HR 3961) – likely producing modest increases for E&M services and no less than a freeze for other services. In 2014, the bill would allow the current SGR formula to resume with a conversion factor that is considerably lower than it is today.

AOA has successfully fought to forestall the full application of scheduled cuts twice this year already. However, Congress eventually passed stop-gap measures only after creating turmoil for patients and providers by allowing short-term extensions to expire. AOA has made clear to lawmakers that the current 30-day cycle of last-minute “patches” must end. Right now, AOA and others are placing increased pressure on Congress to approve legislation that would prevent the looming cut before leaving the nation's capital for a week-long Memorial Day recess starting after May 28.

But, even as House Democratic leaders continue to corral the necessary votes for the bill and bring it to the floor for a vote later today, support for the measure in the Senate looked increasingly uncertain. Senate Majority Leader Harry Reid (D-NV) has indicated that he will keep the Senate in session until it completes work on the bill. However, as of this afternoon, the vote-counting math facing Democratic leaders remained daunting, with most Republicans strenuously opposed to the bill and many centrist Democrats uneasy as concerns about deficit spending mount.

Should Congress fail to act before the May 31 deadline, AOA anticipates that CMS will instruct its contractors to temporarily hold fee-for-service claim processing anticipating that Congress will once again intervene. As a result, AOA is now developing plans to advise ODs to hold claims, if possible, with dates of service on or after June 1 should Congress allow the deadline to pass. As this fluid situation develops, AOA will provide the latest developments, including direct updates to state affiliates as well postings in AOA First Look and on the AOA Blog at www.newsfromaoa.org.