

US Senate Postpones Medicare Fee Fix Vote

U.S. Senate leaders shared with AOA staffers today that they plan to postpone, until early next week, a scheduled vote on a tax and spending program “extenders” package, which includes a physician group-backed plan to reverse the 21 percent cut in Medicare payments to ODs and other physicians that took effect June 1, 2010. The U.S. House had approved the bill (HR 4213) before Congress recessed for its week-long Memorial Day break. However, the Senate failed to act before the May 31 deadline.

As a result, the Centers for Medicare & Medicaid Services instructed its carriers to hold fee-for-service claim processing through June 14 for claims submitted with a date of service in June. The AOA also recommended that ODs refrain from submitting June claims, if possible, until Congress can act to prevent the cuts. Claims with dates of service prior to June 1 may be submitted and paid at the rate that was in effect before the cut. The delay in Senate action was reportedly needed to allow negotiators to scale-back the size and scope of the measure.

In its current form, HR 4213 would provide funding to avert all scheduled Medicare physician cuts over the next 18 months while providing a 2.2 percent positive update for the remainder of this year and an additional 1 percent for 2011. Prior to 2012, Congress would again have to approve corrective legislation to block what would be expected to be a 37 percent Medicare fee cut. The Senate will also vote on whether to include a temporary increase in the Federal Medicaid Matching Rate (FMAP) of 6.2 percentage points for all States, and by additional percentage points for states with high unemployment, through June 30, 2011.

The AOA has also identified and is seeking to clarify an overly broad HR 4213 provision aimed at expanding S-Corporation payroll taxes to firms in service industries. The target of the new tax is aimed at financial services firms as well as athletes, movie stars and other highly compensated individuals who might use an S-Corp to block payroll tax obligations. However, an excessively broad definition of “professional business services” could ensnare certain S-Corp optometry and a range of other health care practices and eventually force them to comply with new rules aimed at curbing tax evasion and other abuses.

As Senate debate on HR 4213 continues, the AOA will continue to provide updates on provisions impacting optometry and guidance on how best to weigh-in with key Members of Congress.