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Subject: Update on Status of March 1 Medicare Payment Cut

Congress has been unable to resolve the Medicare sustainable growth rate (SGR) crisis during the two-month extension that prevented a 21% cut from taking effect on January 1. Today, Senate Majority Leader Harry Reid is expected to ask for consent on the Senate floor that current SGR payment levels be extended for an additional 30 days to prevent scheduled cuts from going into effect on Monday, March 1. This extension will be part of a larger package that addresses other expiring provisions that are considered “must pass” items, such as unemployment insurance and COBRA coverage. The House is expected to consider the package later this week. The AMA has insisted that Congress act this year to permanently repeal the SGR formula, and has continued to meet with Congressional and Administration officials to press that point.

At present, we do not expect any disruptions in processing Medicare physician claims next week.

Physicians have until March 17 to change their Medicare “participating” or “non-participating” status; it is unclear whether that deadline will be extended in response to upcoming Congressional action. The AMA has updated its guidance document, “Medicare Participation Options for Physicians” to address important considerations for physicians when making their 2010 participation decision. That document is available on the AMA web site, at: <http://www.ama-assn.org/ama1/pub/upload/mm/399/med-par-options.pdf>.

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