

Provider eNews - Special Edition

Wednesday, April 1, 2015

Update on the Status of Provisions Expiring on April 1

The negative 21% payment rate adjustment under current law for the Medicare Physician Fee Schedule is scheduled to take effect on April 1, 2015. CMS is taking steps to limit the impact on Medicare providers and beneficiaries by holding claims for a short period of time beginning on April 1st. Holding claims for a short period of time allows CMS to implement any subsequent Congressional action while minimizing claims reprocessing and disruption of physician cash flow in the event of legislation addressing the 21% payment reduction. Under current law, electronic claims are not paid sooner than 14 calendar days (29 days for paper claims) after the date of receipt. As we stated in our recent [email](#) to physicians, CMS will provide more information about next steps by April 11, 2015.

In addition to the Medicare Physician Fee Schedule adjustment, other provisions affecting providers will also expire by April 1, including exceptions to the outpatient therapy caps, add-on payments for ambulance services, payments for low volume hospitals, and payments for Medicare dependent hospitals. These provisions include:

Exceptions process for Medicare Part B outpatient therapy caps—These caps are the annual per beneficiary cap amounts for occupational therapy and for physical therapy and speech-language pathology services combined, determined for each calendar year. Based on current law, exceptions to the therapy caps, which are allowed for reasonable and necessary therapy services above the caps, will be considered only for dates of service through March 31, 2015.

Add-on Payments for Ambulance Services—Currently Medicare provides for an increase in the ambulance fee schedule amounts (both base rate and mileage) for covered ground ambulance transports that originate in rural areas by three percent and covered ground ambulance transports that originate in urban areas by two percent. In addition, currently Medicare provides for an increase of 22.6 percent in the base rate of the ambulance fee schedule amount for covered ground ambulance transports that originate in rural areas designated as super rural. These provisions expire as of April 1, 2015.

Payments for Low-Volume Hospitals and Medicare Dependent Hospitals—The Affordable Care Act and subsequent legislation made temporary changes to the low-volume hospital payment adjustment for hospitals that meet certain discharge and mileage criteria. The Medicare Dependent Hospital program also provides enhanced payment to support small rural hospitals for which Medicare patients make up a significant percentage of inpatient days or discharges. These temporary changes to the low-volume hospital adjustment and the Medicare Dependent Hospital provision expire on April 1, 2015.

Recovery Auditor Inpatient Hospital Status Reviews—CMS will continue to prohibit Recovery Auditor inpatient hospital patient status reviews for dates of admission occurring between October 1, 2013 and April 30, 2015. In addition, CMS will continue the Inpatient Probe and Educate process through April 30, 2015.

CMS must take steps to implement the negative update and the expiration of the other provisions noted above. Providers should remember that claims for services furnished on or before March 31, 2015 are not

affected by the payment cut and will be processed and paid under normal time frames. We are working to limit any impact to Medicare providers and beneficiaries as much as possible.

[Is the eNews meeting your needs? Give us your feedback!](#)

[Subscribe](#) to the *eNews*. Previous issues are available in the [archive](#).

Follow the MLN on [Twitter](#) #CMSMLN, and visit us on [YouTube](#).