



Provider eNews - Special Edition

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Attention Health Professionals: Information Regarding the 2015 Medicare Physician Fee Schedule

On April 1, 2015, the Medicare Physician Fee Schedule (MPFS) was updated using the Sustainable Growth Rate (SGR) methodology as required by current law. The SGR methodology required a 21% decrease in all MPFS payments beginning April 1, 2015. The Centers for Medicare & Medicaid Services (CMS) took steps to limit the impact on Medicare providers and beneficiaries by holding claims paid under the MPFS with dates of service on and after April 1, 2015. Additionally, Medicare is also holding all therapy claims that would no longer qualify for the therapy cap exceptions (those therapy claims with the 'KX' modifier), due to the expiration of the therapy cap exceptions process on April 1, 2015. In the absence of additional legislation to avert the negative update, CMS must update payment systems to comply with the law, and implement the negative update.

Beginning on April 15th, 2015, CMS will release held MPFS claims, paying at the reduced rate, based on the negative update, on a first-in, first-out basis, while continuing to hold new claims as they are received. CMS will release one day's worth of held claims, processing and paying at the rate that reflects the negative update. At the same time, CMS will hold the receipts for that day, thus, continuing to hold 10 days' worth of claims in total. This is to provide continuing cash flow to providers, albeit at the rate that reflects the negative update. This "rolling hold" will help minimize the number of claims requiring reprocessing should Congress pass legislation changing the negative update.

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. The MACs will automatically reprocess the claims paid at the reduced rate if Congressional action is taken to avert the negative update. No action is necessary from providers who have already submitted claims for the impacted dates of service.

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