

TO ALL CLIENTS From DOREEN

Subj: Information Regarding the Holding of Claims for Services Paid Under the 2010
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URGENT

Information Regarding the Holding of Claims for Services Paid Under the 2010 Medicare Physician Fee Schedule

To the extent possible and in consideration of possible legislative changes, the Centers for Medicare & Medicaid Services (CMS) is working with Congress, health care providers, and the beneficiary community to avoid disruption in the delivery of health care services and payment of claims for physicians, non-physician practitioners, and other providers of services paid under the Medicare physician fee schedule, beginning January 1, 2010. In this regard, CMS has instructed its contractors to hold claims containing services paid under the Medicare Physician Fee Schedule (MPFS) for the first 10 business days of January (January 1 through January 15) for 2010 dates of service. This should have minimum impact on provider cash flow because, under current law, clean electronic claims are not paid any sooner than 14 calendar days (29 days for paper claims) after the date of receipt. Meanwhile, all claims for services delivered on or before December 31, 2009, will be processed and paid under normal procedures.

After 10 business days, contractors will begin releasing held claims into processing under the fee schedule which implements current law. This, of course, could result in claims being processed with the negative 21.2 percent update. If a new law is enacted which changes the negative update effective January 1, CMS will correctly process claims under the new law and, if necessary, CMS is prepared to automatically reprocess most of those claims which have already been processed at the lower rate.

Under the Medicare statute, Medicare payments to physicians and other affected providers are based upon the lesser of the actual charge or the MPFS amount. Providers who submit charges that are greater than the negative 2010 MPFS will automatically have their claims reprocessed. Physicians who submit charges that are equal to or less than the 2010 MPFS amount will need to request an adjustment. Submitted charges on claims cannot be altered without a request from the physician/provider.

To the extent possible, providers may hold claims in-house until it becomes clearer as to whether new legislation will be enacted or until cash flow becomes problematic. This will reduce the need for providers to reconcile two payments (i.e., the initial claim and the reprocessed claim), and it will simplify provider billings of beneficiary coinsurance and payment calculations for payers which are secondary to Medicare. **A BIG MESS!**

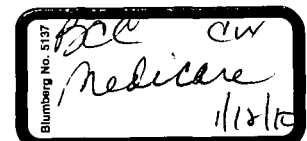
CMS has extended the 2010 Annual Participation Enrollment Program end date from January 31, 2010, to **March 17, 2010**— therefore, the enrollment period now runs from November 13, 2009, through March 17, 2010.

The effective date for any Participation status change during the extension, however, remains January 1, 2010, and will be in force for the entire year.

Contractors will accept and process any Participation elections or withdrawals, made during the extended enrollment period that are received or post-marked on or before March 17, 2010.

In addition, be on the alert for more information about other legislative provisions which may affect you.

Monday, December 21, 2009 AOL: MBS39



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