



Congress Passes Short-Term Patch for Medicare Docs, Delays ICD-10, Tweaks Imaging, Mental Health

Last night, the Senate passed a bill that delays both a Medicare physician pay cut and ICD-10 implementation. The bill is now on its way to President Obama for signature.

Without the bill, Medicare physician reimbursement would have been cut by 24% starting today. The bill extends the current 0.5% increase through the end of the year, and then freezes payments from January through March of 2015. This delay was very controversial, with opponents arguing that it simply patches the Medicare payment problem instead of solving it.

The bill also delayed implement of the ICD-10 code implementation until October 1, 2015. The previous implementation date was October 1, 2014. The ICD-10 codes will replace the current ICD-9 codes used to report medical diagnoses and inpatient procedures. The new codes apply to all HIPAA-covered providers but will not affect CPT coding for outpatient providers.

In addition, the bill:

- Allows Medicare to continue claims payments under the “two midnight rule” through the first half of 2015, but prohibits Medicare RACs (recovery audit contractors) from targeting such claims for audit until March 31, 2015 unless fraud is suspected. Under the “two-midnight rule”, Medicare covers hospital stays that are expected to last two-midnights, but generally denies coverage of care expected to require less than a two-midnight stay.

- Requires HHS to: (1) publish criteria for a state-certified community behavioral health clinic to participate in a mental health services demonstration program, and (2) establish a 4-year pilot program to award up to 50 grants each year to eligible entities for assisted outpatient treatment programs for individuals with serious mental illness.

- Beginning in 2016, cuts payments for CT services that do not use standardized CT equipment.

- Requires HHS to establish a program to promote the use of “appropriate use criteria” for certain imaging services. This criteria is to be evidence-based, to the extent possible, and will be further defined by HHS no later than November 15,



2015. Beginning January 1, 2017, Medicare payment for such services will require compliance with the HHS program.

- Under the Medicare sequestration, adjusts the 2% maximum reduction for specified Medicare programs for FY2024 to make it 4% for the first 6 months of FY2024 and 0% for the last 6 months.

Sources: Summary, H.R. 4302, 113th Cong. (Cong. Research Serv. March 26, 2014) (available at [Bill Summary & Status - 113th Congress \(2013 - 2014\) - H.R.4302 - All Information - THOMAS \(Library of Congress\)](#)).
H.R. 4302, 113th Cong. (March 26, 2014) (available at [Bill Text - 113th Congress \(2013-2014\) - THOMAS \(Library of Congress\)](#)).
The ICD-10 Transition: An Introduction (CMS June 2013) (available at http://www.cms.gov/Medicare/Coding/ICD10/Downloads/ICD10_Introduction_060413%5b1%5d.pdf).
Casting aside reform bill, Congress passes another Medicare patch, AMA Wire (March 31, 2014) (available at [AMA Wire™ : news and information impacting the medical community](#)).
