

*Special to RIMS Members
Friday, December 23, 2011*

Current Medicare payment rates will remain unchanged at least until February 29, 2012

As of this morning, the US House and Senate have both approved a two-month extension of several current policies that affect many millions of Americans and were set to expire on January 1, had both houses of Congress failed act. Earlier this week, it appeared that the House of Representatives would not approve the extensions, but now the two chambers have reached an agreement that the President is certain to sign.

As a result of this morning's developments, physician Medicare payment rates will remain in place at current levels through February 29 instead of dropping by 27.4% on January 1. The 2% cut in Social Security payroll taxes, currently in force, will also continue, as will federal benefits for the unemployed. A House and Senate conference committee is to convene in January to work out a longer-term agreement on all of these provisions. House Speaker John Boehner (R-Ohio) has indicated that his goal is to extend the reprieve on physicians' pay cut for a full two years and to extend the other expiring programs for one year.

While catastrophic cuts in Medicare Part B payments have once again been narrowly averted, this latest temporary patch falls far short of being a real and fiscally responsible solution to the problems created by Medicare's SGR formula.

In anticipation of Congress' stepping back from the brink, CMS announced last night that it will extend the 2012 Annual Participation Enrollment Period through February 14, 2012. Thus, Medicare Contractors (NHIC, Corp. for the New England states) will accept and process any participation changes or withdrawals made during the extended enrollment period, as long as they are postmarked on or before Tuesday, February 14, 2012. Any changes in participation status, however, will still be effective as of Sunday, January 1, 2012, and will be in force for the entire calendar year 2012.