

**PHYSICIANS STILL FACE POTENTIAL 21%
CUT IN MEDICARE REIMBURSEMENTS**

Physicians who treat Medicare patients need to be aware that as of March 1, 2010, unless retroactively suspended by Congress, reimbursement for their Medicare services will decrease by 21.2%.

This is because Medicare payments are based on the Sustainable Growth Rate (SGR) formula, which Congress created in 1997 to help control the costs of Medicare. The SGR is used to limit how much a physician will receive for treating Medicare patients. Due to inflation in the cost of operating a medical practice, Congress has consistently either blocked SGR cuts or increased physician fees since 2002. The most recent temporary stop of SGR cuts, however, ended this past Monday, March 1, 2010. Despite efforts to delay the cut, the Senate and House have been unable to reach a new agreement.

The House passed a one month fix, but the Senate was unsuccessful in its attempt to pass a similar extension blocking the SGR cut, and the measure failed. Currently, the Senate is considering a bill that would extend the latest temporary stop on SGR cuts until September 30, 2010. It is anticipated, but not guaranteed, that if Congress is finally able to reach a solution, it will retroactively suspend the SGR cut. In an effort to give Congress further time, the Centers for Medicare and Medicaid Services have instructed contractors to hold Medicare claims for the first 10 business days in March.

In short, however, as of Monday, March 1, 2010, the 21.2% SGR cut is effective, and we will certainly be watching to see if Congress can successfully create a fix in the coming days.

If you have any questions regarding this alert, please contact [Rebecca Rojas](#), [Christie Burbank](#) or any other member of Miller & Martin's [Health Care Practice Group](#).

The opinions expressed in this bulletin are intended for general guidance only. They are not intended as recommendations for specific situations. As always, readers should consult a qualified attorney for specific legal guidance. Should you need assistance from a Miller & Martin attorney, please call 1-800-275-7303.

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