

CMS Nails Down Medicaid, Medicare Raises for Primary Care

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The Centers for Medicare & Medicaid Services (CMS) has nailed down raises that it had promised primary care physicians in each program next year, but they will resemble hors d'oeuvres on the Titanic if Congress does not avert a 26.5% Medicare pay cut set for January 1.

Under a final Medicare physician fee schedule for 2013 released by the agency, family physicians, geriatricians, and internists will receive an overall payment increase of 7%, 5%, and 4%, respectively. The raise mostly takes the form of a separate fee for coordinating a patient's care for the first 30 days after leaving a hospital, skilled nursing facility, or certain outpatient services. Physicians can bill this service using 2 new billing codes, 99495 and 99496.

CMS will fund this raise for primary care practitioners by reducing reimbursement for many specialists. Most of the cuts fall below 5%, although radiation oncologists and neurologists will take a 7% hit. Not surprisingly, specialty societies have been quick to protest.

"This year's final rule cuts payments for important cardiovascular services at a time when many cardiology practices are already vulnerable," said William Zoghbi, MD, president of the American College of Cardiology, in a press release. His members face a 2% reduction. "Further cuts in reimbursement targeted at physicians only will make healthcare delivery unsustainable."

CMS acknowledged in a [fact sheet](#) that the primary care raises will become a moot point if lawmakers do not avert an across-the-board Medicare pay cut of 26.5% in 2013.

Congress has 2 bills in the hopper that would save the day. One would [repeal Medicare's sustainable growth rate \(SGR\) formula](#), which is responsible for the huge reduction, and phase out fee-for-service payment. The other would [delay the 2013 decrease for 1 year](#), in keeping with past Congressional postponements of SGR cost-cutting. A lame-duck Congress will take up this crisis — part of the dreaded "[fiscal cliff](#)" — after the November 6 election.

States Must Act Quickly to Implement Medicaid Pay Hike

In a separate set of final regulations released November 1, CMS gave a green light to a [Medicaid pay hike](#) for primary care physicians that was mandated by the Affordable Care Act. The law raises Medicaid reimbursement for evaluation and management services and vaccine administration in 2013 and 2014 — but not beyond — to Medicare levels. Family physicians, general internists, pediatricians, and subspecialists related to these fields (eg, pediatric cardiologists) are eligible for the increase. The pay hike also applies to such physicians who participate in Medicaid managed-care plans.

State Medicaid programs have until year's end to put the rate increases into effect. Jeffrey Cain, MD, president of the American Academy of Family Physicians, urged states in a press release "to act quickly."

Dr. Cain also asked Congress to make Medicaid-Medicare parity permanent.

"A sudden return to disparate and inadequate payment for primary care services needed by Medicaid patients after only 2 years will again threaten to restrict their access to such needed services," said Dr. Cain.

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