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Medicare Holding Claims While New Rates Are Loaded

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On June 25, 2010, President Obama signed into law the “Preservation of Access to Care for Medicare Beneficiaries and Pension Relief Act of 2010.” This law establishes a 2.2 percent update to the TriCare and Medicare Physician Fee Schedule (MPFS) payment rates retroactive from June 1 through November 30, 2010. The Centers for Medicare & Medicaid Services (CMS) has directed Medicare claims administration contractors to discontinue processing claims at the negative update rates and to temporarily hold all claims for services rendered June 1, 2010, and later, until the new 2.2 percent update rates are tested and loaded into the Medicare contractors’ claims processing systems. CMS expects to begin processing claims at the new rates no later than July 1, 2010. Claims for services rendered prior to June 1, 2010, will continue to be processed and paid as usual.

Claims containing June 2010 dates of service which have been paid at the negative update rates will be reprocessed as soon as possible. Under current law, Medicare payments to physicians and other providers paid under the MPFS are based upon the lesser of the submitted charge on the claim or the MPFS amount. Claims containing June dates of service that were submitted with charges greater than or equal to the new 2.2 percent update rates will be automatically reprocessed. Affected physicians/providers who submitted claims containing June dates of service with charges less than the 2.2 percent update amount will need to contact their local Medicare contractor to request an adjustment. Submitted charges on claims cannot be altered without a request from the physician/provider. Physicians should not resubmit claims already submitted to their Medicare contractor.

PECOS Update

Centers for Medicare and Medicaid Services (CMS) has not released any change to the January 3, 2011, implementation date requiring ordering and referring physicians to be enrolled in the Provider Enrollment, Chain, and Ownership System (PECOS). Without additional instruction from CMS, Medicare will not reject claims that fail the Ordering/Referring Provider edits until January 3, 2011.

Source: Medical society of Delaware

