

# CLIENT ALERTS

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## Medicare Physician Reimbursement Changed by Medicare Access and CHIP Authorization Act

4.20.2015

Starting in 2019, MACRA (the “Act”) creates incentives to pay physicians based on performance rewarding doctors who hit quality targets and whose patients get healthier. The Act also provides a 0.5% increase on physician Medicare fees over the next four (4) years. Congress passed and the President has signed the Act . The Act repeals the former Sustainable Growth Rate (SGR) formula for physician reimbursement and replaces it with a new approach to Medicare physician payments. Details on this fix to physician reimbursement are sketchy, so regulations will be needed to provide the details. The AMA and AARP both supported the permanent elimination of the SGR which never worked, and had been temporarily “fixed” or delayed many times over the years.

The Act also places new restrictions on Medigap Plans which are designed to partially offset the \$200 billion cost of the Act. The Medigap Plans would no longer to be able to pay the \$147 deductible for physician services, but could cover the \$1,260 deductible for hospital care.

Higher Medicare premiums are also part of the Act for seniors with individual incomes between \$133,500 and \$214,000 or joint incomes between \$267,000 and \$428,000.

The Act also funds through 2017 the Children’s Health Insurance Program (CHIP), which provides coverage to low and moderate income families who earn too much to qualify for Medicaid coverage.

There are many other provisions in the Act covering numerous issues, but briefly the Act also:

1. Extends the work Geographic Practice Cost Index (GPCI) floor boosting certain payments of physician fees in areas where labor cost is lower than the national average.

### Related Services

Health Care

Health Care Industry Team

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2. Extends therapy cap exceptions to January 1, 2018.
3. Extends added payment for certain ground ambulance services to January 1, 2018.
4. Extends Medicare low-volume hospital payments to October 1, 2017.
5. Extends Medicare Dependent Hospitals' special payments (rural hospitals with no more than 100 beds that serve a high percentage of Medicare beneficiaries) to October 1, 2017.
6. Extends Medicare Advantage Plans for those with special needs to December 31, 2018.
7. Provides additional funding for outreach and assistance for low income persons to September 30, 2017.
8. Permanently extends low income persons assistance in covering Medicare Part B.
9. Extends Type I and Type II Diabetes Indian Health Services Programs to September 30, 2017.
10. Extends abstinence-only programs and funding to September 30, 2017.
11. Extends the Personal Responsibility Education Program to September 30, 2017.
12. Extends the family-to-family health information centers.
13. Delays cuts to Disproportionate Share Hospital (DSH) payments until fiscal year 2018 and adds another year of DSH cuts in 2025.
14. Adds additional anti-fraud measures such as prohibiting Social Security numbers on Medicare cards, reducing wrongful or improper Medicare payments, removing duplicate Medicare Secondary Payer Reporting requirements and eliminating civil money penalties for inducements to physicians to limit services that are not medically necessary.

Please do not hesitate to contact us if you wish further information.

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