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HEALTHCARE BULLETIN

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**CMS TELLS MEDICARE CONTRACTORS TO
PROCESS PHYSICIANS' JUNE AND LATER CLAIMS
WITH 21% PAYMENT REDUCTION**

Today, the CMS notified physician participants in the Medicare program via its physician list serve that it has directed Medicare contractors not to continue holding physician claims any longer and to process June and later claims with the 21% reduction as required by law.

Extension of the zero percent update to the 2010 Medicare Physician Fee Schedule based on the Continuing Extension Act of 2010 ended May 31, 2010, but CMS instructed its contractors twice (on May 27 and June 14, 2010) to extend the hold for June claims. The second CMS request expired on June 17, 2010.

The CMS's message to physicians states that "Held claims will be released and processed on a flow basis, first-in/first-out...Congress continues to debate the elimination of the negative update. The CMS is hopeful that congressional action will be taken to avert the negative update. If Congress changes the negative update that is currently in effect, we are prepared to act expeditiously to make the appropriate changes to Medicare claims processing systems."

According to a *Modern Healthcare* alert, lobbyists report that Senate leaders have agreed on a six-month, 2.2% update. Unfortunately, the House has adjourned for the week. Even were the Senate to pass a bill today based upon its leaders' agreement, the measure could not be enacted by the House until next week at the earliest



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