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HEALTHCARE BULLETIN

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MARCH 1 REDUCTION IN MEDICARE PAYMENTS TO PHYSICIANS DELAYED ONE MONTH

Legislation signed by President Obama late March 2 (H. R. 4691), earlier enacted by the House, but delayed in the Senate by Senator Jim Bunning (R-Ky.), will freeze for one month physicians' Medicare payments at rates in effect on February 28, 2009. The same legislation also extends unemployment insurance and COBRA benefits, includes highway funding measures and delays imposition of the cap on Medicare payment for outpatient therapy services.

Whether Congress will permanently resolve Medicare's payment formula for physicians, while a result urged strongly by the American Medical Association but costing hundreds of billions of dollars, remains unclear. The Senate has not acted on the House's \$210 billion permanent fix to the problem passed in November 2009, choosing rather to debate a six-month extension to the payment freeze.

President Obama has called on the House to vote on the Senate health care reform bill prior to the Easter recess (March 29 - April 11) and for both houses to then pass a separate bill modifying the Senate bill through the budget reconciliation process. Because the one month payment fix will expire while Congress is crafting a budget reconciliation measure, if the House is successful in passing the Senate bill, a potential budget reconciliation package could include a permanent or temporary payment resolution. If the House fails to pass the Senate health care reform bill, Congress will be forced to once again address the looming payment cuts in other legislation.

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