

## 2010 Medicare Fee Schedule

The 2010 fee schedules that were posted on Medicare carrier/contractor websites prior to December 30, 2009, which indicated a 20% + drop in Medicare fees, are now obsolete. All of the websites should now have new fees posted, which reflect Congress's current override of the fee cut.

This year the fee schedule is a little more confusing than in the past because Congress has initially adjusted the fees for just the first 60 days of the year, or through March 1, although it is reasonably certain the adjustment will continue for the rest of the year. The drop in fees that was reflected in the originally posted fee schedules was mandated by the sustainable growth rate (SGR) that by law governs the Medicare fee schedule. In recognition of the fact that the drop in fees required by the SGR would prohibit most physicians from seeing Medicare patients, Congress has overridden the SGR fee cut every year since 2003. (It should be noted here, that the APA, along with the AMA and other specialty societies, has been lobbying for the repeal of the SGR for many years.)

The way Medicare fees are established is extremely complex. To determine the reimbursement amount for each procedure (or CPT code), a conversion factor is multiplied by the relative value units (RVUs) that have been assigned to that procedure, and then an adjustment is made based on the geographic location of the practice. The number of RVUs assigned to a procedure is based on three elements: the work required for the procedure, the practice expense incurred for the procedure, and the cost of the provider's professional liability insurance. For the psychiatry codes (the 908XX codes), the work value has by far the greatest weight.

For the first two months of 2010, Congress is maintaining the same conversion factor that was used in 2009. However, because there have been changes in the values of some codes due changes in the practice expense and medical liability insurance elements, as well as in the geographical adjustment, you may see a slight drop in some of the 2010 fees for the psychiatry codes. Those psychiatrists who code using the evaluation and management (E/M) codes may see an increase in their fees due to a positive adjustment to some of the E/M codes that was made to compensate for the elimination of payment for the consult codes for 2010. For information on Medicare's elimination payment of the consultation codes see <http://www.psych.org/MainMenu/PsychiatricPractice/MedicareMedicaid.aspx>.