

Budget Act Extends GPCI Floor

By Elizabeth Woodcock, MBA, FACMPE, CPC

The Bipartisan Budget Act of 2018 featured an extension of the physician work geographic price cost index (GPCI) floor. As the work GPCI is a component of the Medicare payment formula, this declaration positively impacts physician reimbursement. On March 20, the Centers for Medicare & Medicaid Services (CMS) [issued a memorandum instructing Medicare contractors](#) to reprocess claims affected by the law.

The good news is that physicians in Alabama, Georgia, Kentucky, Mississippi, and Tennessee will see increases in Medicare reimbursement dating back to January 1, 2018 dates of service; the bad news is that more than 90 days' worth of claims have *already* been paid – and are candidates for reprocessing. Because the boost in reimbursement is so small – pennies, in some cases, this situation could prove to be a challenge.

The Medicare Administrative Contractors (MACs) are required to make the change, however, there is no guidance on the details of the so-called “automatic reprocessing.” CMS’ instructions include: “Contractors shall automatically reprocess...claims for localities and states impacted by the Work GPCI Floor fee increase for dates of service in calendar year 2018.” While details aren’t provided, a subsequent guidance by CMS is critical for physicians to review: “Contractors shall reprocess [the] claims [that] cannot be automatically reprocessed only if brought to your attention.” This statement inherently gives latitude to Medicare contractors to *avoid* the payment boost – unless you raise the issue. If your Medicare business is small – or the financial impact minor – you may be relieved that the contractor can’t “automatically reprocess” your claims. However, for physicians who a significant Medicare patient population, or those who perform surgeries, procedures, and other high-dollar services on Medicare patients, this instruction should set off alarm bells – and drive you to action.

Although CMS instructs the MACs to begin reprocessing claims as soon as possible, they are given six months to initiate the process. Therefore, if you haven’t seen evidence of the additional monies owed to you (particularly if the “old” fee schedule continues to be perpetuated), take action by proactively bringing the issue to the contractor’s attention, as CMS instructs.

Ultimately, this boost in payment – albeit small – is beneficial to physicians in the long-term. However, it could possibly be up to you to capture the advantage of the payment boost from the previous three months’ worth of claims.

Editor's Note:

On April 5, the Palmetto GBA announced, *"Due to the retroactive effective dates of these provisions, your Medicare Administrative Contractor (MAC) will reprocess Medicare FFS claims impacted by this legislation. You do not need to take any action."* See full details [here](#).

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