



BILLING / FEES / INSURANCE

New Medicare Payment Increases Help Offset Earlier 2024 Reductions

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WHAT YOU NEED TO KNOW

- on March 9, 2024, the Medicare conversion adjusted upward 1.69%. This increase means approximately \$1.00-\$4.00 per unit depending on manual or electroacupuncture.
- Reimbursements for therapies increased from 50 cents to \$4.00, depending on the code, while rates for Evaluation and Management services increased \$5-\$15, approximately.
- These new fees apply to services rendered March 9 through Dec. 31, 2024.

Question: I recently noticed an increase in Medicare and VA payments. Did the fees increase? I thought I had seen otherwise; that the 2024 fees had been *reduced* from 2023.

Based on your question, I can surmise that you are billing Medicare (Part B or C) and VA claims at your regular rate. You would otherwise not be aware of the rate increase unless you follow Medicare news very closely.

Yes, Medicare did increase its rates in March. Specifically, on March 9, 2024, the Medicare conversion adjusted upward 1.69%. This increase means approximately \$1.00-\$4.00 per unit depending on manual or electroacupuncture. Reimbursements for therapies increased from 50 cents to \$4.00, depending on the code, while rates for Evaluation and Management services increased \$5-\$15, approximately. While not large increases, they do help offset the decreased rates from the start of the year. These new fees apply to services rendered March 9 through Dec. 31, 2024.

These increases are due to the Consolidated Appropriations Act of 2024, in response to a 3.37% cut that went into effect on Jan. 1, 2024, and brought the conversion factor for the Medicare Physician Fee Schedule (PFS) from \$32.74 to \$33.29. This new conversion is used to multiply by the relative value of any CPT code, with regional adjustments applied.

It is important to note that when billing Medicare or VA claims, you may bill at your regular rate with the understanding that you may only collect per the allowed rates as noted on the Explanation of Benefits. I assume this is how you became aware of the increase. If you were billing at the contracted rates, of course, you would not have realized the increase, as they simply would pay what was billed even when their allowed rates are higher. This is why I recommend on plans of this nature to always bill your regular rate. Assuming your regular rate is above or at what is allowed, the reimbursement will pay the maximum allowed.

If you are currently billing at the pre-March Medicare rates, go to your state's Medicare Administrative Carrier (MAC) website to look up the new fees. However, the smart move is to bill regular rates and then you will be adjusted automatically and need not worry about searching for new Medicare rates.

Do keep in mind that when you bill above the Medicare rate, whether for Medicare or the VA (yes, the VA uses Medicare rates), you will get a notice on the EOB that indicates CO-45 to indicate you are billing above the contracted rate and are limited to only the allowed rate and co-pay (when applicable) noted on the EOB. But you will be assured of getting the maximum allowed rate.

These changes also apply to plans that use Medicare as a basis for fee schedules and for many states like Florida, Michigan, and Pennsylvania directly for personal injury. Many states also use Medicare rates for workers' compensation; therefore, verifying any changes that may apply in your state is worth the time. For example, this is true for California, which uses Medicare rates to determine the California workers' compensation official medical fee schedule. These adjustments also affect reimbursement for VA claims and Medicare Advantage.

Traditionally, Medicare updates fees in January, but as you can witness this year and quite a few times in years past, fees may adjust a second time. This can be attributed, at least in part, to Congress's late voting and disputes on the budget.

This is where I find my father's words ring true, as he always stated, "This is why it is called acupuncture *practice* and not *perfect*." (He was a chiropractor and his words apply to chiropractic practice as well.) Changes and updates will always occur, which is why continuing education is mandated, with some of the hours dedicated to ethical coding and billing.

Editor's Note: Have a billing question? Submit it to Sam via email at sam@hjrossnetwork.com. Submission is acknowledgment that your question may be the subject of a future column.

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