



BILLING / FEES / INSURANCE

## New Medicare Payment Increases 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 50 cents to \$3.00 depending on the level of CMT.
- While not a large increase, it does aid in offsetting the decreased rates from the start of the year.
- These new fees apply to services rendered March 9 through Dec. 31, 2024.

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

Based on your question, I can surmise that you are a par (participating) provider for Medicare and billing at your regular rate. You would otherwise not be aware of the rate increase unless you follow Medicare news very closely.

To answer your question directly, yes, there was a slight increase in Medicare rates in March. Specifically, on March 9, 2024, the Medicare conversion adjusted upward 1.69%. This increase means approximately 50 cents to \$3.00 depending on the level of CMT. While not a large increase, it does aid in offsetting the decreased rates from the start of the year. These new fees apply to services rendered March 9 through Dec. 31, 2024.

This increase was due to the Consolidated Appropriations Act, of 2024 and 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.

If you are a par provider billing regular rates, you would have realized the increase without making any adjustments and Medicare will automatically increase the payment when you are billing above its allowed rates.

While Medicare does mandate the maximum rate you may collect for spinal manipulation, you may bill at your regular rate. When you bill at your regular rate, assuming it is higher than Medicare, Medicare will reduce its payment to the allowed. As a par provider, billing in this manner will ensure you receive the maximum amount allowed. Medicare will adjudicate the claim according to the current fee.

Note that for chiropractic spinal manipulation (CMT), regardless of your billed rate you may only collect per the allowed rate and copay noted on the explanation of benefits (EOB) from Medicare.

Medicare rates have no bearing on excluded services; for everything other than spinal CMT the patient would be billed the same as any other patient.

To assure clarity, it is OK to bill above Medicare rates for spinal CMT, but make sure you are not collecting more than the allowed rate by Medicare and the 20% copay.

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 smarter move if you are par is to bill regular rates; you will be adjusted automatically, and need not worry about searching for the new Medicare rates.

If you are non-par, you will need to research and adjust your fees to the new allowed rates when you are not accepting assignment and billing the limiting charge. Medicare will not send any notice of the new fees.

If you are non-par and accepting assignment, assuming you are billing your regular rate, Medicare will pay the new allowed rate and copay, and you can make adjustments based on the EOB.

Do keep in mind when you bill above the Medicare rate that you will get a notice on the EOB that indicates CO-45, as you are billing above the contracted Medicare rate and are limited to only the allowed rate and copay noted on the Medicare explanation of benefits (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, it is worth verifying any changes that may apply, such as in California. These adjustments will 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 can adjust a second time. This can be attributed to Congress's late voting and disputes on the budget.

This is where I find my chiropractor father's words ring true, as he always stated: "This is why it is called chiropractic *practice* and not perfect." Changes and updates will always be present, which is why continuing education is mandated, with some of the hours dedicated to ethical coding and billing.

Please note that these changes did not affect the 2% sequestration that has been in effect since 2023. Sequestration was only paused during COVID-19, but came back in 2023.

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*Editor's Note:* Have a billing question? Submit it via email to Sam at [sam@hjrossnetwork.com](mailto:sam@hjrossnetwork.com). Your question may be the subject of a future column. Note that submission of a question is acknowledgment that it may be referenced (anonymously) in his column.

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