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**MEDICARE, MEDICAID, AND SCHIP EXTENSION
ACT OF 2007**

On December 29, 2007, the President signed the Medicare, Medicaid, and SCHIP Extension Act of 2007 (the "Act"). The Act specifically cancelled the planned 10.1 percent cut to physician payments to be made by CMS. Instead, CMS is required to increase payments by 0.5 percent for the first six months of 2008. The Act also continues to provide additional payment incentives to physicians and other healthcare practitioners who report quality measures to the Physician Quality Reporting System.

In addition, the Act allows for the following:

- Extends for six months a provision that allows physicians who are ordered to active duty to engage in substitute billing arrangements. The current law allows for 60 days.
- Continues the 5% incentive payment to physicians practicing in rural areas.
- Continues the basis of cost methodology for brachytherapy (radioactive sources) devices until June 30, 2008.
- Extends the allowance for 100% reasonable cost reimbursement to small, rural hospitals for clinical diagnostic laboratory tests as part of outpatient services tests to June 30, 2008.
- Establishes reimbursement rates for generic albuterol as well as certain diabetes laboratory tests that are approved for home use beginning April 1, 2008.

For more information please contact Popovits & Robinson at 708/479-3230.

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