

Q&A

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Q Is Medicare Part B impacted by the current debt crisis?

A A portion of Part B is funded from general revenues, not from the Medicare Trust Fund, which potentially subjects it to a resolution of the debt ceiling crisis as well as the budget deficit. In addition, Part B payments deal with payments to physicians, which payments are subject under current law, to a reduction of approximately 30% on January 1, 2012. The attempt to resolve this issue under PPACA was deleted. Therefore, a mechanism needs to be developed to maintain payments to physicians, who provide physician services to the Medicare population, which will need to be funded both out of the general revenue as well as the Trust Fund. For top earners, Medicare Part B already is means-tested requiring top earners to pay more for Medicare Part B than approximately 95% of the population.



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