



medical  
management

# The Insider News

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## ICD-10-CM and 5010 Update

On January 15, 2009, the Federal Register published the Final Rule for implementation of both ICD-10-CM and the new 5010 standard. The announced implementation date for ICD-10-CM is October 1, 2013 and the announced implementation date for the 5010 standard is January 1, 2012.

ICD-10-CM is the new diagnosis coding classification process that will replace the current ICD-9-CM.

5010, called the 5010 HIPAA standard, replaces the current HIPAA Transaction Standard 4010A1.

Usually, once an implementation date for a federal program is published in the Federal Register, it is considered "set in stone". However, a White House memo from the new Chief of Staff has frozen all pending federal regulations that haven't yet taken effect so that they can be studied by the new administration.

This is apparently not an uncommon move, and applies to all pending federal regulations, not just ICD-10-CM and 5010. Most experts do not believe that this will result in any appreciable delay. Both programs are expected to go forward as planned because of their importance in the advancement of health information technology.

GR Medical Management will continue to bring you updates as they become available.

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## United Health Group, Inc. Settlement

As a result of an industry-wide investigation, on January 13<sup>th</sup>, New York Attorney General Andrew Cuomo announced a settlement involving United Health Group, Inc. The settlement is intended to help bring about reform for the health care reimbursement system throughout the United States.

The investigation centered around Ingenix, Inc, which is owned by United Health Group. Ingenix had developed and operated a data base used by insurers, including United Health Group, that established "usual and customary" rates for medical services.

The investigation alleged that the data base understated "usual and customary" rates, which resulted in carrier under-payment to patients ranging from 10% to 28% in New York. The settlement has far-reaching implications beyond New York alone.

As an outcome of the agreement with United Health Group:

- United will pay \$50 million to establish a new independent data base that will be administered by a qualified nonprofit organization (yet to be named)
- The nonprofit will own and operate the data base, and be the arbiter and decision maker regarding data contribution protocols

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- The nonprofit will develop a website where consumers can review in advance the potential cost of out-of-network services in their own geographic area
- The nonprofit will also make rate information from the data base available to insurers

The purpose is to help de-mystify the health care reimbursement system for consumers, and to provide realistic and viable data on which insurers can base "usual and customary" charges.

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## New QME Regulations for California Work Comp

The Division of Workers' Compensation in California has announced new regulations revising the qualified medical evaluator process. They have been approved by the Secretary of State's office and become effective February 17, 2009.

Per the announcement, the following are highlights of the changes:

- When opposing parties agree on a QME chosen from a panel to act as an agreed medical evaluator (AME), the QME will be paid at the AME rate.
- Requires AMEs to give six business days of notice when canceling appointments without good cause and requires them to reschedule canceled appointments within 60 days.
- Clarifies that mental health records are protected under privacy law and will not be served directly on the injured worker, but instead will be provided to a health care provider designated by the treating physician.
- Requires that all depositions of doctors occur in their offices, or within 20 miles of their offices, unless an order from an administrative law judge specifying a different location is obtained or all parties agree.
- Requires QMEs to make themselves available for deposition within 120 days of the notice of deposition.
- Requires parties requesting a supplemental report to send their requests directly to the Disability Evaluation Unit office where the report was served and not to the evaluator until after the initial summary rating has been issued.

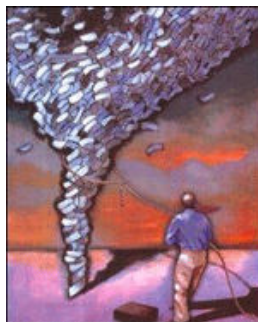
The regulations also include 24 new forms for actions, such as applying for the appointment of a QME, making a QME panel selection and requesting a time extension.

A copy of the regulations, the regulatory history, the DWC's response to public comments and a history of the rulemaking process are available here:

[http://www.dir.ca.gov/dwc/DWCPropRegs/qme\\_regulations/qme\\_regulations.htm](http://www.dir.ca.gov/dwc/DWCPropRegs/qme_regulations/qme_regulations.htm)

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## Industry News



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