



medical
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The Stimulus Package and EHR

Included as part of the recently signed Stimulus Package, formally known as ARRA (American Recovery and Reinvestment Act) bring with it a wealth of changes. Among those is HITECH (Health Information Technology of Economic and Clinical Health).

HITECH focuses on the development of a nationwide network of health information technology, promoting electronic health information, and electronic health information exchange.

To promote HITECH, financial incentives will be available beginning in 2011 to physicians who are using EHR "in a meaningful way". Incentive payments are available to individual physicians, with the largest amount available the first year, then in decreasing amounts over the following four years

Here's an example of how the financial incentive works:

Year	Financial Incentive if Using EHR in a meaningful way by:			
	2011	2012	2013	2014
2011	\$18,000	-----	-----	-----
2012	12,000	18,000	-----	-----
2013	8,000	12,000	15,000	-----
2014	4,000	8,000	12,000	12,000
2015	2,000	4,000	8,000	8,000
	-----	2,000	4,000	4,000
Total Incentive Payment	\$44,000	\$44,000	\$39,000	\$24,000

The incentives for EHR use are per physician, so larger practices will receive a larger incentive.

Other incentives and funding include:

- Medicare payment reduction for physicians and hospitals not using EHR by 2015
- Additional Medicaid incentives to eligible pediatricians
- A 10% increase in incentive payments for eligible providers practicing in areas designated as health professional shortage areas
- \$300 million in grants to support regional health information exchanges

Other changes include updating of HIPAA, including

- re-defining the Business Associate Agreement, including strengthening the obligations of the business associate with respect to privacy and security
- New regulations on the "Minimum Necessary" rule
- Restrictions on certain disclosures
- Access to certain information in electronic format
- Tiers for civil penalties for violations

More information will be provided as it becomes available!

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Courtesy Discounts

Courtesy discounts include the policy of waiving all, or a part, of the fee for services provided to the physician's office staff, other physicians, and/or their families. It may also include the waiver of coinsurance obligations or other out-of-pocket expenses for physicians or their families (i.e., "insurance only" billing).

The OIG has identified "discounts" and "professional courtesy" as being particularly problematic risk areas. Specifically, they have stated:

"Discounts and professional courtesy may not be appropriate unless the total fee is discounted or reduced. In such situations, the payor (e.g., Medicare, Medicaid or any other private payor) should receive its proportional share of the discount or reduction."

In general, whether a professional courtesy arrangement runs afoul of the fraud and abuse laws is determined by two factors:

(i) how the recipients of the professional courtesy are selected; and

(ii) how the professional courtesy is extended. If recipients are selected in a manner that directly or indirectly takes into account their ability to affect past or future referrals, the anti-kickback statute—which prohibits giving anything of value to generate Federal health care program business—may be implicated.

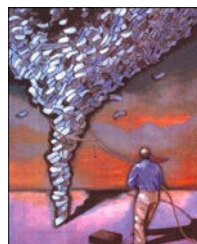
If the professional courtesy is extended through a waiver of co-payment obligations (i.e., "insurance only" billing), the practice may also be in violation of their contract with the managed care carrier as well as other federal statutes, including the False Claims Act.

If your practice is providing any form of courtesy discounts, you should review your policy against applicable laws, including your managed care contracts. If you need direction to specific legal statutes regarding this, GR Medical Management can provide you with that information.

5010 & ICD-10 Implementation Dates Confirmed

On March 5th, Don Johnson, the Acting Director, Office of Legislation, CMS, confirmed that the implementation date for the new 5010 transaction standard is January 1, 2012, and that the implementation date for ICD-10 is October 1, 2013.

Industry News



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