



medical
management

The Insider News

December 2008

Volume 1, Number 2

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2009 Medicare Physician Fee Schedule

Key Provisions of the Final 2009 Fee Schedule

The Centers for Medicare & Medicaid Services (CMS) released the 2009 final Medicare physician fee schedule on Oct. 30. In this rule, CMS has made a variety of policy changes that significantly affect medical group practices. The final rule:

- Replaces the previously proposed 15.1 percent cut to Part B services with an overall 1.1 percent increase for 2009.
- Shifts and recalculates the budget-neutrality adjustor. The effect is an approximate 6 percent reduction to the conversion factor and 12 percent increase to physician work values. While the conversion factor will fall from \$38.09 in 2008 to \$36.07 in 2009, overall average payments will increase by 1.1 percent as mandated by law.
- Extends the work Geographical Practice Cost Index (GPCI) floor and the therapy cap exception process through Dec. 31, 2009.
- Increases the Physician Quality Reporting Initiative (PQRI) bonus incentive to 2 percent for 2009 and 2010. In 2010, CMS will post the names of successful 2009 PQRI participants on a CMS Web site.
- Implements a five-year program of incentive payments for e-prescribing and extends the current e-prescribing fax exemption until Jan 1, 2012.
- Significantly curtails the ability of medical practices to retroactively bill Medicare for services provided while enrollment applications are pending. Instead, practices will now only be able to bill for 30 days prior to the later of:
 - The date of filing of a Medicare provider enrollment application that was subsequently able to be processed by a Medicare contractor; or
 - The date a provider began furnishing services at a new practice location.
- Adds two HCPCS (Healthcare Common Procedure Coding System) codes for follow-up inpatient telehealth consultation.
- Requires mobile diagnostic testing entities to enroll as IDTFs and to bill Medicare directly for services (except entities furnishing services under arrangement with a hospital).
- Expands the "anti-markup" Medicare billing rule to apply to diagnostic testing services performed by a physician who does not share a practice with the billing physician or group, which includes applying the rule to certain tests performed inside a group practice when the performing physician:
 - Does not perform 75 percent of his/her professional services through the billing physician or group; and
 - Does not perform the tests in a location where the ordering physician provides substantially the full range of patient care services he/she provides generally.
- Discontinues reimbursement for continuous positive airway pressure (CPAP) devices when the supplier is directly or indirectly providing the sleep test used to diagnose the beneficiary with obstructive sleep apnea (except for attended facility-based polysomnograms).

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Big Penalties for Patient Privacy Breaches



In the wake of multiple high-profile cases of snooping, the state cracks down on unauthorized looks at medical files.

Eyes will be on California starting next year, but they won't be peeking into medical records.

At least that's Gov. Arnold Schwarzenegger's hope; in September he signed into law two bills that put some teeth into patient privacy rules and give doctors good reason to comply.

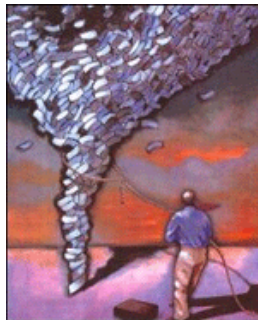
Under the new laws taking effect Jan. 1, 2009, the state has significantly increased fines not only for the illegal use of medical records but also for unauthorized access of records. The laws also open the door for patients to sue doctors when their records are accessed, even if there is no damage.

Other states have privacy laws that require notification of a breach, but the California bills are thought by experts to be the first to place a strong focus on enforcement.

Experts predict California's actions will lead to more states following suit, as well as tougher enforcement of HIPAA privacy and security rules, which have gone largely unenforced since they took effect in 2003 and 2005, respectively.

For physicians, "the idea behind all this is don't wait until the 500-pound gorilla is pounding on your door," said attorney Peter MacKoul, president of Sugar Land, Texas-based HIPAA Solution, a consultancy that helps practices become HIPAA-compliant. "It's called preventative action."

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