



*Delivering
on our **promises** to
our **clients, employees,**
business contacts
and **community**
is what makes
us who
we are.*

Time for a Check-up:

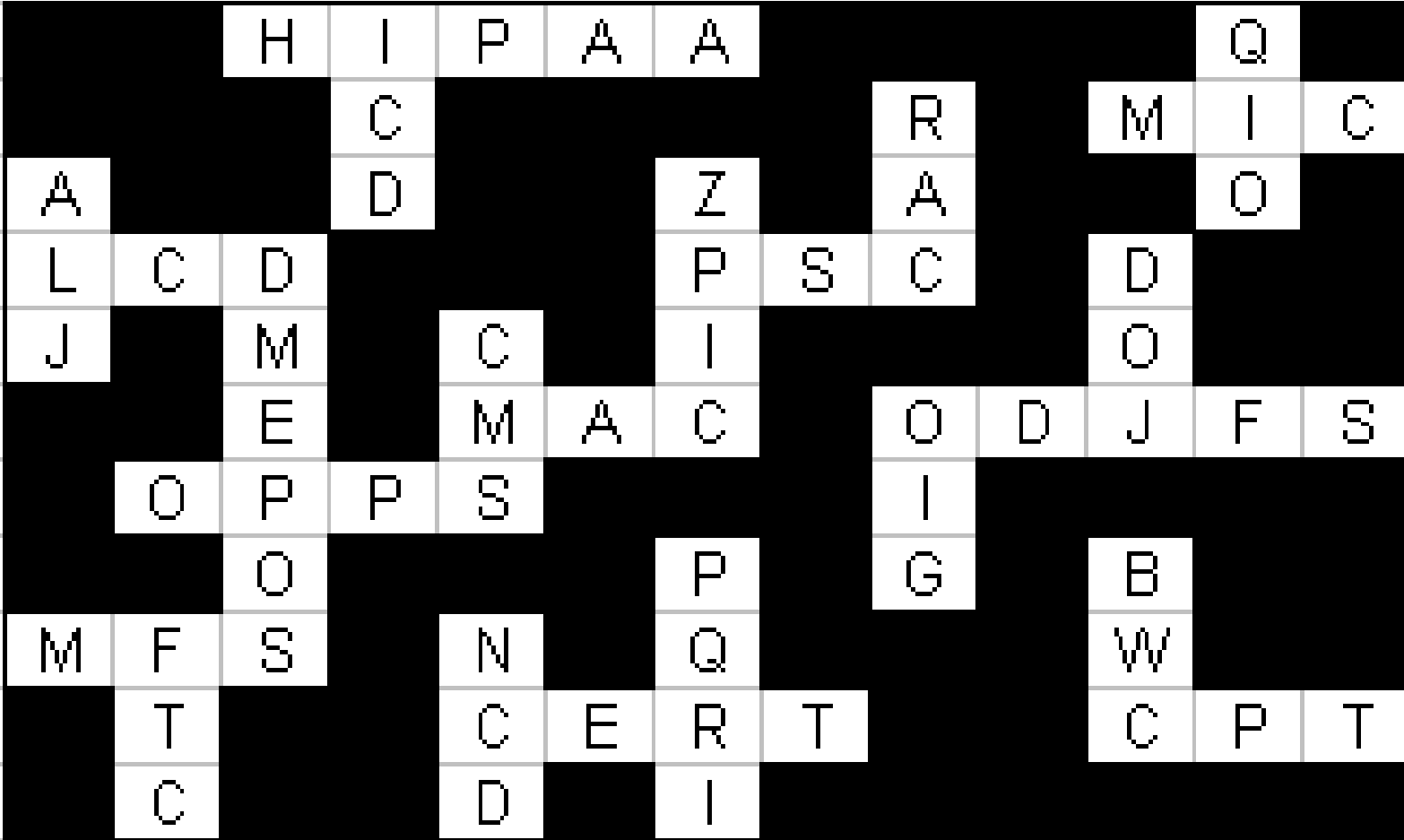
An Overview of the Latest Changes to the
Legislative and Regulatory Landscape

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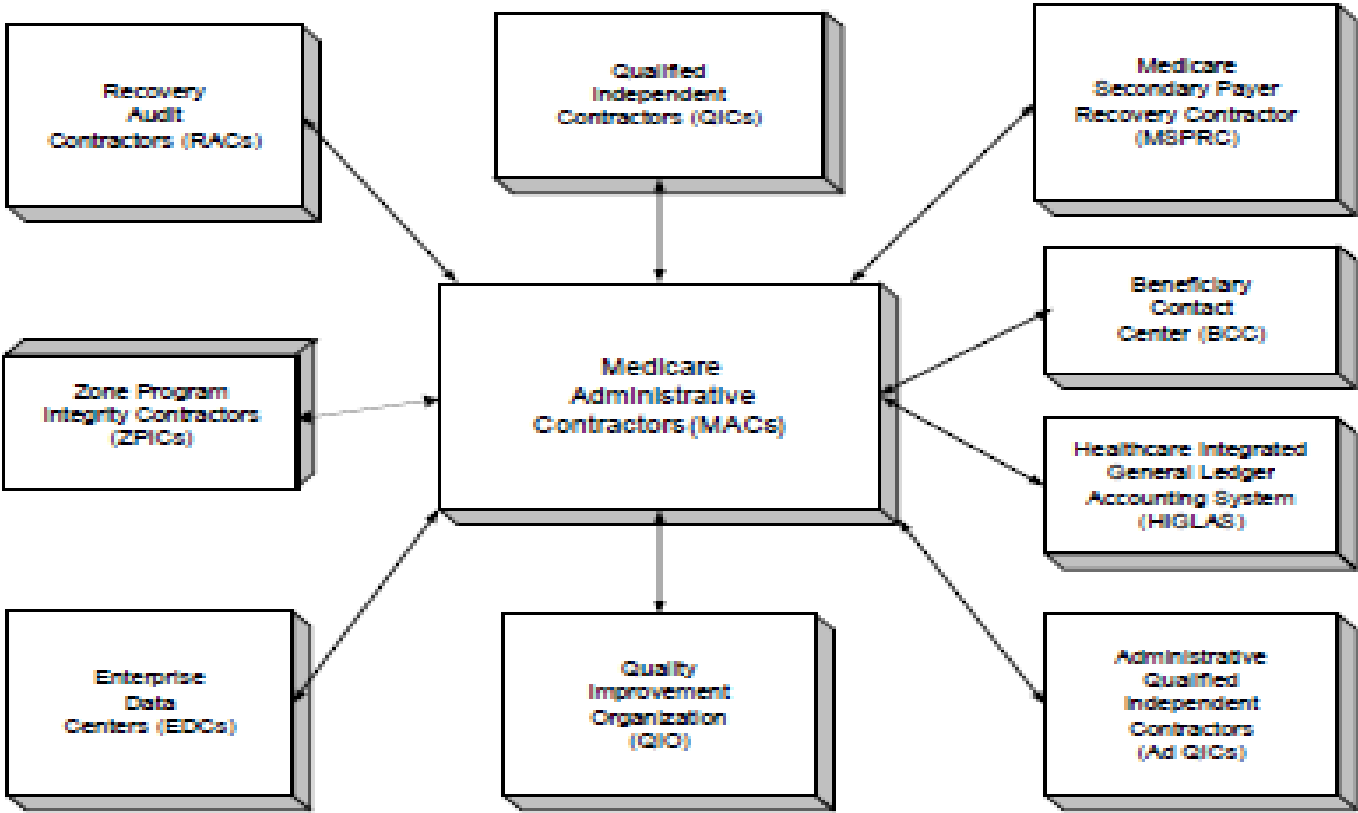
Puzzled?





Medicare Fee-for-Service Program Administrative Functional Environment

By 2010, MACs will be the central point in CMS' national FFS program. Ohio A/B MAC award was to Highmark Medicare Services. Bid protest has been filed by Cigna which has been sustained. Stay tuned.....





ZPICs

- Zone Program Integrity Contractor
- Formerly PSCs
- Ohio is in Zone 3 (out of 7)
- CMS reassigning ZPIC zones to coincide with MAC jurisdictions
- Contracts awarded in 2 zones thus far





RAC

- Ohio RAC – Region B – CGI
- Provider Outreach?
 - Email formal request to: racb@cgi.com
 - Include 3 dates
 - Indicate preference:
 - Personal conference
 - Webinar
 - Teleconference
 - Takes 2 weeks for CMS to approve
 - Requesting facility would handle registration





CGI

- 3 Issues approved – posted to website 8/26/09
 - Blood transfusions – 1 unit per session
 - IV hydration therapy – 1 “initial” unit per pt/per DOS
 - Bronchoscopy services – 1 unit per DOS
- Target states: IN, MI, MN
- As of 8/31/09, 10 targets approved in all regions





Additional Approved Issues in Other Regions



- Untimed codes – 1 unit per session
- Once in a lifetime procedures
- Peds codes exceeding age parameters
- J2505 Pegfilgrastim, 6 mg/unit – 1 unit per DOS
- DME – Unbundling
 - Wheelchairs
 - Urological catheter supplies
- CSW services – not covered by Part B if during IP stay



“Look Back”

- RAC: 3 years (from 10/1/07 forward)
- Carriers: 4 years
- PSCs & ZPICs: >4 years
 - If they have “good cause” to re-open claims





OIG

- 2010 Annual Work Plan
- Report August 2009 – Qualifications of NPPs Performing Medicare Physician Services
 - NPP not qualified to perform service in 21% of claims
 - Rehab services: 49% performed by unqualified persons
- Report June 2009 – POS Coding for Part B Physician Services (Calendar years 05 & 06)
 - 86% error rate in POS (OH & ASC)





CERT

- Comprehensive Error Rate Testing
 - AdvanceMed for Ohio Part B
 - National Gov't Services for Ohio Part A, DME
 - Part A: Missing/illegible signature notification (August 2009)
 - DME: Orders unsigned, no revised CMN for O2 if new MD, notes not documenting coverage criteria met (June 2009)
 - Highmark Medicare Services – Great website for current CERT information – quarterly updates
 - CMS issues national CERT reports bi-annually
 - Next report due: November 2009





Proposed 2010 Medicare Fee Schedule Changes

- Elimination of consultation codes
- Creation of “admitting physician” modifier
- Creation of “G” codes for telehealth conferences (in-patients and SNF patients)
- Conversion factor rate reduction of 21.5% (Health reform bill could reduce this to 0.5%)





How much does a physician really get paid for a leg amputation today?

	<u>Description</u>			<u>MFS</u> <u>1992</u>	<u>MFS</u> <u>2009</u>	<u>%</u> <u>Change</u>
27590	Amputation thigh, through femur, any level;			\$718.39	\$770.55	7.3%
27290	Interpelviabdominal amputation (hindquarter)			\$1,358.22	\$1,464.79	7.8%



Tax Changes New for 2009

- Tax cut for most taxpayers in various forms
- High income taxpayers (>\$250,000) have no increase in spite of what was advertised
- Greater capital equipment acquisition incentives for business
- Subsidy for COBRA continuation coverage
- Lots of energy incentives, but not for most





Tax Changes – 2010 and Beyond

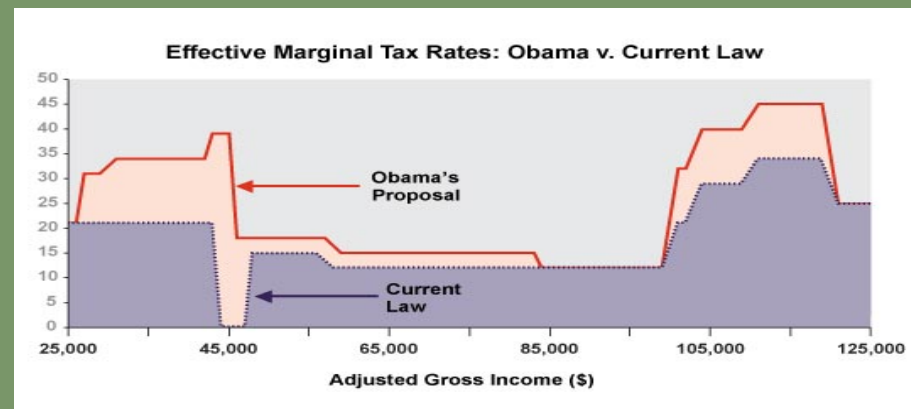
- Tax increases
 - High income taxpayers (>\$250,000) can expect to pay mid 1990's rates (36% and 39.6%)
 - Increase in capital gains rate to 20%
 - Increase in tax on dividends to 20%
 - Increase in Social Security taxes
 - Cap tax benefit on itemized deductions at 28%
- The estate tax returns to life





Tax Changes – 2010 and Beyond

- What you can expect
 - Higher marginal tax rates than advertised
 - Increase in rates
 - Phase out of tax benefits like education credits
 - Slower economic growth
 - Tax exempt bonds become more attractive
 - Roth IRA conversions

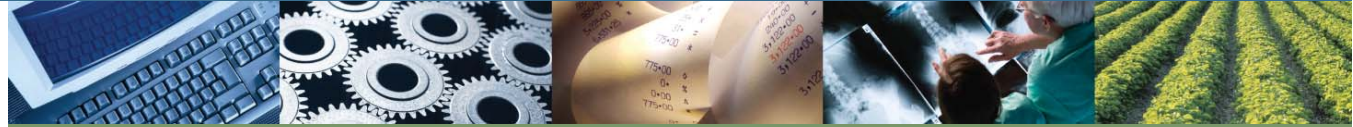




The Health Plan Proposal

- For those with health insurance
 - Ends discrimination against people with pre-existing conditions
 - Limits premium discrimination based on gender and age
 - Caps out-of pocket expenses so people don't go broke when they get sick
 - Prevents insurance companies from dropping coverage when people are sick and need it most





The Health Plan Proposal

- For those with health insurance
 - Eliminates extra charges for preventive care like mammograms, flu shots and diabetes tests to improve health and save money
 - Protects Medicare for seniors
 - Eliminates the "donut-hole" gap in coverage for prescription drugs





The Health Plan Proposal

- For those without health insurance
 - Creates a new insurance marketplace – the Exchange – that allows people without insurance and small businesses to compare plans and buy insurance at competitive prices
 - Provides new tax credits to help people buy insurance
 - Provides small businesses tax credits and affordable options for covering employees





The Health Plan Proposal

- For those without health insurance
 - Offers a public health insurance option to provide the uninsured and those who can't find affordable coverage with a real choice
 - Immediately offers new, low-cost coverage through a national "high risk" pool to protect people with preexisting conditions from financial ruin until the new Exchange is created





The Health Plan Proposal

- Cost Savings Measures
 - Implements a number of delivery system reforms that begin to rein in health care costs and align incentives for hospitals, physicians, and others to improve quality
 - Creates an independent commission of doctors and medical experts to identify waste, fraud and abuse in the health care system





The Health Plan Proposal

- Cost Savings Measures
 - Orders immediate medical malpractice reform projects that could help doctors focus on putting their patients first, not on practicing defensive medicine
 - Requires large employers to cover their employees and individuals who can afford it to buy insurance so everyone shares in the responsibility of reform





Valuation Issues

- Increased scrutiny of practice purchases by regulators (affects both hospitals and physicians)
- Fair market value is the key
- Goodwill and non-compete agreements
- Hypothetical buyer and seller
- Compensation strategies and fair market value



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Questions?