

MEDICARE UPDATE 2010

HEALTHCARE PRACTICE MANAGERS
EDUCATION SERIES
APRIL 22, 2010

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THE MEDICARE FEE SCHEDULE

- WHAT HAPPENED BETWEEN 12/31/09 AND 1/1/10???
- 2009 CONVERSION FACTOR \$36.066
- 2010 PROPOSED CONVERSION FACTOR \$28.3895 WITH RVU UPDATE.
- 2010 REVISED CONVERSION FACTOR \$36.0846
- AFFECTS PRACTICES BASED ON INDIVIDUAL SPECIALTY

THE MEDICARE FEE SCHEDULE

- Reduced Medicare fee schedule halted until May 31, 2010
- Proposed freeze through September 30, 2010 in Senate – passed legislation, awaiting conference with similar House bill

Impact Analysis

- First, understand your payor mix;
 - % of Practice is Medicare
 - % of Practice is Managed Care, IPA's who pay at a percentage of Medicare
 - Third Party payors who use a Medicare fee schedule
 - Note the distinction between RBRVS rates and Medicare fee schedule

Impact Analysis

- Review the services (CPT codes) you provide that are paid under the Medicare fee schedule.
- Compare the current Medicare fee schedule to the Proposed Medicare fee schedule for the services you earlier identified.
- See sample worksheet

Cost Analysis

- More than ever, cost to provide service is an important factor
- Develop a process to determine cost of service (staff, rent, supplies, etc).
- Reimbursable supplies (drugs, solutions, etc) should be reviewed separately comparing cost to reimbursement by each item

Compare Cost to Income

- Using the tools you have, compare the cost to provide services to income
- Considerations –
 - Loss leader for other more valuable services
 - Provides a unique service to the community
 - Hospital relationship
 - Practice enhancement, may lead to other business models

PARTICIPATION DECISIONS

- Window for 2010 decision is closed. CMS extended par decision to March 17
- Other contractual arrangements –
 - IPA's
 - Hospital

CONTRACT REVIEWS

- Conduct an annual review of your third party payors
- Approach payors for rate increases
- Ask payors how the Medicare fee schedule will affect rates
- Review reimbursement to verify payors are paying according to fee schedule

RAC AUDITS

- REGION D – HEALTH DATA INSIGHTS
- TARGET IS INSTITUTIONS
 - DOWNSTREAM EFFECT TO PROVIDERS THROUGH ADMITTING AND INSTITUTIONAL SERVICES RENDERED (SURGERY).

A Few more THINGS

- June 2010 J18 changing banks to JP Morgan Chase
- March 2010 Timely filing limits reduced to 12 months
- Claims on hold for first 10 days of April
- Congress on vacation until the 12th

MORE MEDICARE

- RED FLAG WARNINGS – REQUEST FOR DOCUMENTATION
- RADIOLOGY – REFERRING ORDERS AND SIGNATURES
- UNBUNDLING OF SERVICES
- UTILIZATION OF SERVICES – COVERAGE AND LCD'S

Work Plan

- Five year approach:
 - MAC's in place
 - Comparison of Part A and Part B claims
 - Imaging Services – DRA, moving toward the hospital
 - Medicare pays hospital, providers contract with hospital for payment

SOMETHING TO TALK ABOUT

EXCHANGE IDEAS
PROMOTE HEALTH
COLLABORATE
