



Provider News

NPI: Deadline Extended to 2008

Greg Killinger

The Centers for Medicare & Medicaid Services (CMS) announced that it is implementing a contingency plan for those who will not meet the May 23, 2007 deadline for compliance with the National Provider Identifier (NPI) regulations.

The National Provider Identifier implementation date has been moved to May 23, 2008.

The enforcement guidance released recently clarifies that covered entities that have been making a good faith effort to comply with the NPI provisions may, for up to 12 months, implement contingency plans that could include accepting legacy provider numbers on HIPAA (Health Insurance Portability and Accountability Act) transactions in order to maintain operations and cash flows. said CMS Acting Administrator Leslie V. Norwalk, Esq.

CMS made the decision to announce this guidance on its enforcement approach after it became apparent that many covered entities would not be able to fully comply with the NPI standard by May 23, 2007. This guidance would protect covered entities from enforcement action if they continue to act in good faith to come into compliance, and they develop and implement alternative plans to enable them and their trading partners to continue to move toward compliance.

The enforcement process is complaint driven. If a complaint is filed against a covered entity, CMS will evaluate the entity's "good faith efforts" to comply with

the standards. It would not impose penalties on covered entities that have deployed alternatives to ensure that the smooth flow of payment continues. Each covered entity will determine the specifics of its contingency plan. Plans may not extend beyond May 23, 2008, but entities may elect to end them sooner.

CMS encourages health plans to assess the readiness of their provider communities to determine the need to implement contingency plans to maintain the flow of payments while continuing to work toward compliance. Likewise, we encourage health care providers that have not yet obtained NPIs to do so immediately, and to use their NPIs in HIPAA transactions as soon as possible.

A critical aspect of implementing the NPI is the ability for covered entities to match a provider's NPI with the many legacy provider identifiers that have been used to process administrative transactions. CMS plans to make data available from the NPI system that will assist covered entities in developing these "crosswalks."

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Compliance Alert—OIG Fiscal Year 2007 Work Plan

Patrick Sulzberger, CPA

The Office of Inspector General (OIG) has released its 2007 Work Plan, providing guidance to the health care industry about areas of focus the OIG considers critical during 2007. To follow are excerpts from the 2007 Work Plan that will impact physician services:

Billing Service Companies – identify and review relationships between billing companies and the physicians who use their services, identify the types of

arrangements physicians have with billing services, and determine the impact such arrangements may have on physicians' billings.

Cardiography and Echocardiography Services – review Medicare payments for cardiography and echocardiography services and determine whether physicians billed appropriately for the professional and technical components of the services.

Physical and Occupational Therapy

Services – review Medicare claims for therapy services provided by physical and occupational therapists and determine whether the services were reasonable and medically necessary, adequately documented, and certified by physician certification statements.

Evaluation of "Incident To" Services – evaluate the appropriateness of Medicare services performed "incident to" the professional services of physicians and determine the extent to which the services met Medicare

standards for medical necessity, documentation, and quality of care.

Potential Duplicate Physical Therapy Claims – assess whether CMS's systems are able to identify and prevent payment for duplicate claims, submitted both to Part A and Part B.

Place of Service Errors – determine whether physicians properly coded the place of service on claims for services provided in ambulatory surgical centers and

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NPI: Deadline Extended to 2008

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What is PBN doing for our clients?

NPI Numbers-- Over the past year, PBN has applied for NPI numbers for our clients. We have been forwarding those NPI numbers to all Insurance payers to mitigate the possibility of a reimbursement dip when the NPI system is implemented. This reimbursement impact is of serious concern to PBN and our clients. In addition, where possible PBN has been asking for and receiving the referring NPI numbers from hospitals and other physicians. This has been met with limited success due to concerns around the privacy of the NPI number.

Once you obtain your NPI, it is estimated that it will take 120 days to do the remaining work to use it. This includes working on your internal billing systems, coor-

dinating with billing services, vendors, clearinghouses, and testing with payers. As outlined in the Federal Regulation, (HIPAA), you **must also share your NPI with other providers, health plans, clearinghouses, and any entity that may need it for billing purposes.** Some providers are claiming that HIPAA privacy rules prevent this sharing of NPI numbers and thus are slowing the integration of this very important step in the implementation of the NPI system.

If you have any questions about the NPI implementation, please ask your PBN Client Liaison for an update. Ultimately, we see this implementation as an improvement over the current process of getting separate numbers for a significant number of insurance payers. Please let us know if PBN can provide any additional information in regard to the NPI implementation.

E-Mail: Public or Private?

Michelle Daum

Today's electronic communication is convenient, instantaneous, and often misused; but, when you log into your corporate e-mail account, is it private? At the end of last year, the Federal Rules of Civil Procedure widened the scope of how attorneys can obtain pertinent information about their case. In a lawsuit, all electronic data is open to the opposing side. Also, in many corporate (hospital) IT policies, it states that the company owns any data that is stored or transmitted with their computers and servers.

Although that would seem clear cut, state laws actually differ on how they view intercepting or recording telephone calls, which has been applied to electronic transmissions. Some states require consent of all parties, while other states require consent of only one. So the water is muddy at best.

Be aware and protect yourself. Even if you have only one staff employee, create a policy (if you don't have one) and inform all employees and partners. Don't write something in an e-mail you would not want subpoenaed in court. Don't transmit patient data over the Internet unless appropriately encrypted or risk violating HIPAA policies. Realize that whatever you send, you should assume it is the same as being printed in the newspaper.

Retirement Plan Dollar Limits

Faye Sirois, CPA

You've probably heard that the Pension Protection Act of 2006 (PPA), which President Bush signed into law on August 17, 2006, is an important piece of pension legislation. One of its many provisions made the *retirement savings incentives* in the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA) permanent.

These *retirement savings incentives*, which include the higher retirement plan limits (see chart to right) that we've enjoyed for several years, were scheduled to sunset in 2010. However, with the repeal of EGTRRA's sunset provision, not only were the higher limits saved, but also the Roth (after-tax) deferral option and catch-up deferrals (for those age 50 or older) were made

permanent.

Because retirement plans are designed with consideration to many factors, including plan participant demographics, please contact your retirement plan professional for questions regarding your specific plan or situation.

Description	2007	2006
Annual Compensation Limit	\$225,000	\$220,000
Salary Deferral Limit	\$15,500	\$15,000
Salary Deferral Catch Up Limit	\$5,000	\$5,000
Annual Addition Limit—DC plans	\$45,000	\$44,000

OIG Work Plan

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hospital outpatient departments. (Services rendered in these settings should not be reported as physician office services, which are paid at a higher rate.)

Review of Evaluation and Management (E/M) Services During Global Surgery Periods – determine whether physicians received separate payments for E/M services provided during the global surgery period. E/M services related to the surgery, which are provided during the global period, should not be billed for separately by the provider.

Advanced Imaging Services in Physician Offices – examine the appropriateness of imaging services provided in physician offices.

(According to Medicare data from 1999 - 2005, advanced imaging services, such as MRI, PET and CT, has grown by 20% each year. The OIG will evaluate the nature of the growth of these services and examine the billing patterns in certain geographic areas and practice settings.)

Summary

Remaining in compliance with health care regulations requires a proactive approach throughout an organization. We recommend providers review the 2007 OIG Work Plan and consider the OIG initiatives within the context of the Organization's overall risk assessment. A systematic process should be developed for conducting internal reviews and providing ongoing

education for physicians and staff members. Performance improvement processes should be developed around benchmarking compliance results, such as coding error rates, documentation quality, etc.

The OIG Fiscal Year 2007 Work Plan may be downloaded in its entirety at the following link: <http://oig.hhs.gov/publications/docs/workplan/2007/Work%20Plan%202007.pdf>

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For any questions or to sign up for our newsletter via mail or e-mail, contact us at info@pbnmed.com

Pay for Performance (P4P)

Nora Kreader

As healthcare costs increase and Medicare faces reduced operational budgets, reimbursements continue to decrease. With these factors in mind reimbursement methodologies are being reviewed and are undergoing transformation, all of which leads into the Pay for Performance (P4P) movement.

Pay for Performance program summary. Pay for Performance is a system initiated to tie reimbursement for health care providers to quality measures. The hope is to substitute quality as the payment driver instead of volume, as well as providing cost savings. The Centers for Medicare and Medicaid Services (CMS) are developing a set of initiatives for providers.

There are currently Pay for Performance demonstration projects for almost all major healthcare providers. Most, however, are still in the data collection phase and have not developed a mechanism for rewarding

payment on quality. In 2006, the government began the Physician Voluntary Reporting Program (PVRP). The goals of this program are to develop methods for collecting physician data on quality measures. Additionally, they will provide physicians with confidential feedback regarding their performance and reporting rates.

P4P program requirements. A select set of measures, eligible providers, and reporting thresholds encompass the program requirements. The 74 approved quality measures can be viewed at www.cms.hhs.gov/PQRI and most specialty societies' websites. The manner for which these measures will be provided includes either a CPT Category II code or a temporary G-code. Eligible provider types have also been designated for the program. These include, but are not limited to, MD's, CRNA's, PA's, NP's, PT's, and OT's. Providers must report on at least three of the programs quality

measures for at least 80% of the cases in which the measure applies.

If you report to CMS the quality measure data, you will be eligible for up to a 1.5% bonus payment. Payment will be made in mid 2008 as one lump sum via a Tax Identification Number (TIN).

What does this all mean to you?

Review the measures available to your specialty. Choose the quality measures which best match your practice; keep in mind any of the categories you already measure. Implement a method of communicating the data and report it. In addition to being eligible for a bonus, you will have developed the processes within your practice to capture this data for the future when the P4P program will be mandatory for full Medicare reimbursement. As reimbursements continue to dwindle, make sure your practice considers the P4P program and takes advantage of all available means of payment.



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Medical Trivia

**Jonas Salk
discovered the polio
vaccine while
working at what
university's medical
school?**

University of Pittsburgh

From Jud's Desk—PBN's 25 Year Anniversary 1982—2007

It was 1982. Oh, what a year it was! Ronald Reagan was President, and George Bush was Vice President. There was a war in the Middle East. Gross domestic spending was \$3.2 Trillion (now \$12.5 Trillion). Stamps cost 20 cents. The St. Louis Cardinals won the World Series. North Carolina defeated Georgetown to win the NCAA championship. E.T. – the Extraterrestrial was a hit at the box office. Dr. Barney Clark received the first permanent heart transplant and MRI (Magnetic Resonance Imaging) machines were introduced in Britain. One other thing... PBN started in business.



We began here in Kansas City with one client and four people. Now, 25 years later, the economy has grown, a different George Bush is in office, a different Middle East war is taking place, the Cardinals are again the world champs, and Georgetown made it to the final four. (My teams haven't fared as well....) There have been huge advances in all facets of medicine, and PBN is now serving over 50 clients in both hospital based and office-based specialties. We have clients in Kansas City and a number of other states.

Also, the good news is that we have added a number of technological tools. Had it not been for these tools, our work force would be well over 100.

Although much in the world has changed, PBN remains committed to the same values on which the business was founded. We are focused on having the best people, the best resources, performing to the best of our ability to help our clients receive the best service from a company they can trust. That will never change.

Thanks to all of our clients and employees for 25 great years. In upcoming newsletters, we will share with you how we plan to make the next 25 years even better.

All the best,
Jud