

COMMUNIQUE



JANUARY/FEBRUARY 2006

House Expected To Vote On Physician Payment Freeze On Feb. 1

House Speaker Dennis Hastert (R-IL) has tentatively scheduled a vote for the 2006 budget reconciliation bill for February 1. The budget bill includes a one-year freeze on 2006 Medicare physician reimbursements at 2005 rates. On December 19, the House approved a budget bill that included the one-year freeze on physician payments. The measure would have averted a 4.4% Medicare physician payment rate reduction scheduled to take effect January 1. The only Ohio Republicans to vote against the bill were Representatives Bob Ney (R-Heath) and Steve LaTourette (R-Painesville).

Senator George Voinovich voted to approve the reconciliation budget bill. Senator Mike DeWine voted against the overall budget package, but Senator DeWine has supported past attempts to correct the payment formula and was the first senator to co-sponsor legislation in 2005 that would have corrected the flawed Medicare physician payment formula.

House Republicans expect to narrowly approve the bill again, boosted by President Bush's State of the Union speech the day before the vote. AARP and the Emergency Campaign for America's Priorities (ECAP), an organization that represents unions, student groups and advocates for low-income individuals, hope to convince moderate Republicans to vote against the bill. This coalition was successful in convincing five Republican senators to break with their party and vote against the bill.

AARP has criticized new Medicaid asset-transfer rules included in the legislation. ECAP and other groups have circulated a "worst provisions fact sheet," which includes a provision that would require Medicaid applicants to provide passports or birth certificates to qualify for coverage.

If AARP and ECAP are successful, budget negotiators would be forced to start over again. This process could delay, for many months, a correction to Medicare reimbursement.

OSMA and AMA are encouraging House members to vote for the bill because it includes language that would retroactively stop a potentially disastrous cut in physician reimbursement.

The Votes Are In...

The Academy of Medicine of Toledo and Lucas County elected its 2006 officers, councilors and nominating committee at its annual meeting held on Thursday, January 16. At the festivities, **Robert E. Kose, MD**, was installed as President of The Academy of Medicine.

Other officers include: **Anthony J. Armstrong, MD**, President-Elect; **Diane A. McCormick, MD**, Vice President; and **Scott T. Dull, MD**, Secretary.

Councilors elected to a two-year term include: **Joseph A. Assenmacher, MD**, **Robert G. Axonovitz, MD**, **Louito C. Edje, MD**, **Donald K. Hickey, MD**, **Gregory C. Kasper, MD** and **Michael E. Stark, MD**.

Newly elected members of The Academy's nominating committee include: **Kenneth A. Kropp, MD** and **Philip C. Stiff Jr, MD**.

Also honored at the meeting were those physicians who received their 50-Year Award in honor of their 50th anniversary of graduation from medical school. They were: **Drs. George J. Baibak, Cecilia Bennett, Ernest G. Brookfield, John A. Devany, James G. Diller, Armin R. Fuhlbrigg, Pacifico S. Geronimo, Phillip L. Horowitz, Russell V. Howard, Harry C. Mack, Thomas W. Mahoney, Jr., Michael O'Toole, Antonio B. Paat, S. Theodore Pinsky, Baltazar J. Reyes, James C. Roberts, Sr., Samuel D. Santa Rita, Harold R. Stevens, Dorrence C. Talbut, Peter White and Thomas J. Williams.**

Non Members

Do you know a physician who is not a member of The Academy of Medicine and should be? If so, please call Carol at 419/471.3333 and ask her to send an application to the physician.

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Community Health Commission Notes

Tobacco Prevention - Legislation for a ban on smoking in public places is currently being debated in the State legislature. Many local initiatives are scheduled for the November election.

Immunizations - The CDC has planned an all out effort to eliminate the spread of hepatitis B by universal immunization. The federal government has begun the process to support the manufacture and stockpiling of "bird-flu" virus vaccine; adequate supply is not expected for 2 years, and there is concern that the vaccine may not protect against a mutated virus, capable of human to human spread. The field trials, reported in the New England Journal of Medicine, of a new polyvalent rotavirus vaccine indicate good protection and no increased risk of side effects, especially intussusception.

MOBI - Maximizing Office Based Immunization - is a program offering continuing education through the Ohio Chapter - American Academy of Pediatrics and funded by the Ohio Department of Health and the CDC. The goal is to maximize childhood immunization rates in Ohio. It is administered by the Toledo~Lucas County Health Department and has two parts: 1) a one hour CEU program in physician's offices updating current available vaccines and 2) a confidential, customized immunization survey to identify opportunities to improve immunization rates. Educational materials are provided as well as a light breakfast or lunch. The Commission encourages all primary care practices caring for children to take advantage of the opportunity.

Miscellaneous - Outbreaks of E. coli O157:H7 at petting zoos continue to be reported by the CDC; the Toledo Zoo has initiated a "clean hands" program with washing stations as well as employees providing alcohol based cleanser. The CDC reports high specificity and sensitivity of a new rapid test for HIV from oral fluids. Ohio reported an average of 312 cases of pertussis from 2001 to 2003; nationally there were 12,000 in 2003 (up from 6000 in 1997); physicians and ED's are encouraged to use the new Tdap vaccine for boosting from age 12 up. The AMA has published a clear, concise article on "Medicare Part D - What You Can Tell Your Patients."

Save the Dates

*The Academy of Medicine/
St. Luke's Hospital Joint Meeting*

Tuesday, May 2, 2006
St. Luke's Hospital Auditorium

*The Academy of Medicine/
St. Anne Mercy Hospital Joint Meeting*

Tuesday, September 12, 2006
The Pinnacle

Academy Night at the Mud Hens

Wednesday, August 16, 2006

Coding and Documentation of Family Practice and Internal Medicine Services

February 8 - St. Rita's Medical Center (Lima)

February 23 - OSMA (Columbus)

10 a.m. - 3:30 p.m.

CME/CEU credits: 5 each for AMA PRA, AAFP Prescribed Credit, AAPC and AHIMA

Coding for primary care services can often be as stubborn and confusing as the cases you are treating. Proper coding has both important legal and financial implications. This interactive and informative program is for billing and coding staff, managers and physicians in family practice and internal medicine offices and/or for those who bill for primary care services. An emphasis will be placed on using case studies and examples that address situations which are challenging and where incorrect coding and other errors are most often made. By participating in this energetic and interactive program, participants should be able to more accurately code for primary care services, realize an increase in reimbursement due to proper coding and submission of more accurate claims, and minimize risk of audit issues due to proper coding, documentation and compliance. For complete details, go to www.osma.org > education > current courses or call the OSMA at 800/766.6762 to request a flyer.

2006 Medicare Physician Payment Update and Claims Processing — Questions and Answers

The House of Representatives is expected to act in early February to halt the 4.4 percent Medicare physician pay cut that went into effect Jan. 1. President Bush then is expected to sign the bill which would restore payments to the 2005 level shortly thereafter. This situation has generated a number of physician billing questions. Decisions on certain issues are not yet clear. In the interim, however, AMA staff after consultation with Medicare staff and medical specialties have attempted to answer some of the most frequently asked questions.

1. For what dates of service would a Congressionally enacted freeze be effective? Would it be retroactive to Jan. 1?

Under the legislation in play at the end of 2005, the freeze would have been effective on Jan. 1. Barring any modification in the legislation, officials at the Centers for Medicare and Medicaid Services have said that the freeze would be applied retroactively to services provided between Jan. 1 and the date of enactment.

2. Exactly what does the freeze apply to? Would changes in relative values or implementation of new codes be affected?

Under the current legislation, only the conversion factor would go back to the 2005 status. All other changes contained in the final 2006 Medicare Fee Schedule Rule will remain in effect. Also, although the legislation includes other physician-related provisions, these provisions would not take effect until 2007 and therefore do not have any impact on 2006 billing decisions.

3. If the freeze applies to dates of service for which I have already submitted claims, do I need to re-file those claims or will the Medicare carrier automatically adjust affected claims?

The AMA and other physician groups had pressed for automatic adjustments of affected claims and CMS will honor this request. Physicians will not need to resubmit claims for this period.

4. Would any additional payments stemming from these adjustments be handled through one large

check or a number of checks with a 4.4 percent adjustment for each patient?

Current plans are to handle adjustments through a single check with some sort of additional documentation indicating which individual claims have been adjusted.

5. Will the secondary payers also make automatic adjustments or will I have to resubmit all my claims to the appropriate insurance plan?

At the AMA's request, CMS has instructed carriers to forward adjusted claims to Medigap and secondary insurers if their agreements accept adjustments. Thus most Medigap plans and some secondary insurers will also make automatic adjustments. For some secondary insurers, resubmission of the claim will be necessary.

6. Based on the 4.4 percent cut, I decided to go non-par this year. If the rates go back to 2005 levels, can I change my mind and go par instead? If so, what do I need to do?

Once legislation is passed, physicians will be given 45 days to change their participation status. Changes will be retroactive to Jan. 1, 2006 and claims would be adjusted to reflect the change in par status. As is normally the case, physicians who want to change their par status would need to notify all the carriers with which they do business.

7. Should I wait to file my claims until the legislation is passed?

Delays in filing claims probably won't be feasible for most physicians because it is likely to be at least six weeks before Congress acts and Medicare carriers are ready to process claims using the new rates.

8. What can I do to help make sure Congress fixes the problem for 2006?

Contact your member of the House of Representatives by phone or e-mail and tell them to take immediate action to pass legislation to stop the cuts. Visit www.ama-assn.org/go/grassroots to access your representative.

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