

NDHA INFORMER

North Dakota Healthcare Association

Volume 17, Number 47

December 11, 2009

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- Newspaper Articles

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PRESIDENT'S MESSAGE

This week the changes to Health Care Reform include a twist to the public option. It appears as of this writing that the formal proposal of the public option is put to rest, remember I said appears. We still have the option on the table of those 55 and older being able to buy into Medicare. We still have the option of expanding Medicaid as well. What is new this week is; a proposal to allow the Office of Personnel Management, the agency that oversees the federal employee's health plan to run a new

national health plan. Supposedly the agency would negotiate terms with private insurers and then contract with nonprofits in the private sector to run the programs. There has been a positive comment via Blue Cross regarding this new option that it bears a closer look. We will have to obtain some details to see how this will play out for us. My skepticism questions if this is not the public option just dressed differently. We know that there will be a compromise in the near future and we will have to face the reality of dealing with what is passed. Our concern is what this will mean for North Dakota. We will keep you posted as we obtain information – remember, the options continue to change daily. I am sure by the time this is formatted and sent out there will be additional changes. Tim and I will do our best to keep you informed.

Earlier this week we sent out information regarding comments made by Senator Rockefeller of West Virginia regarding our Senator Conrad and his due diligence for North Dakota. Senator Conrad is there supporting our position and it is drawing attention. Take some time to thank the Senator and his staff for the work they are doing. I can not imagine where we would be without their support.

This week we held our first Educational Committee meeting; we had a great meeting and received a lot of good ideas. We would like to add a few people to the committee representing other disciplines, i.e., DON, CFO, Risk Manager, possibly a plant manager. If you have staff that would be willing to participate in expanding the

educational opportunities let either Linda or me know.

This week on Thursday and Friday we will be holding our long overdue Board Retreat. During the two days we will have reports from the Medical Association and Long Term Care Association as well as internal reports. Again, as we proceed information will be shared. ~Jerry~
jjurena@ndha.org

**CMS PUBLISHES MEDICARE
PHYSICIAN FEE SCHEDULE
FOR 2010**

The Centers for Medicare and Medicaid Services finalized the 2010 physician fee schedule that removes office-administered Part B drugs from the calculation of reimbursements and terminates payments for consultation services. The rule, found at <http://edocket.access.gpo.gov/2009/pdf/E9-26502.pdf>, was published in the November 25 *Federal Register*, and is effective January 1, 2010.

The rule also finalizes a 21.2 percent reduction in the fee schedule amounts as a result of the sustainable growth rate formula, a slight change from the proposed 21.5 percent. The House recently passed legislation to replace the SGR with a new formula that:

- Removes items, such as drugs and laboratory services, not paid directly to practitioners from spending targets;
- Allows the volume of most services to grow at the rate of the gross domestic product plus 1 percentage point per year; and
- Allows the volume of primary and preventive care services to grow at the GDP rate plus 2 percent per year.

The Senate's health care reform bill (<http://democrats.senate.gov/reform/patient-protection-affordable-care-act.pdf>) would

increase physicians' pay by 0.5 percent in 2010.

**2010 ANNUAL PARTICIPATION
ENROLLMENT DEADLINE
EXTENDED**

Due to recent revisions that were made to the 2010 Medicare Physician Fee Schedule, CMS has extended the 2010 Annual Participation Enrollment Program end date from December 31, 2009 to January 31, 2010 – therefore, the enrollment period now runs from November 13, 2009 through January 31, 2010.

The effective date for any participation status change during the extension, however, remains January 1, 2010, and will be in force for the entire year.

Contractors will accept and process any participation elections or withdrawals made during the extended enrollment period that are received or post-marked on or before January 31, 2010.

The participation Agreement (CMS Form 460) is available on the CD-ROM that is sent out annually by your Medicare contractor during the Annual Participation Enrollment period. Contractors will also make the Participation Agreement available on their websites with participation enrollment (and termination) instructions.

**FREE TOOLKIT AVAILABLE
FOR ALZHEIMER'S,
DEMENTIA STAFF EDUCATION**

The National Council of certified Dementia Practitioners is offering a complimentary tool kit (<http://www.nccdp.org/staff-education-week.htm>) for health care providers to educate their staff about Alzheimer's and dementia. The tool kit contains materials to

educate staff and nurse educators about Alzheimer's and dementia training and certification in dementia care. It also includes methods to promote dementia education through face-to-face interactions and interactive classroom environments. The tool kit is available until March 2010.

**PROGRAM SAFEGUARD
CONTRACTORS TO
TRANSITION TO NEW ZONE
PROGRAM INTEGRITY
CONTRACTORS**

CMS program integrity efforts were assigned originally to CMS fiscal intermediaries and carriers. In 1999, CMS began transferring the responsibility to Program Safeguard Contractors, which are transitioning to the Zone Program Integrity Contractors (ZPICs). The enactment of section 911 of the Medicare Prescription Drug, Improvement and Modernization Act of 2003 (MMA) mandated a change in CMS' contracting structure by phasing out the fiscal intermediaries and carriers and phasing in the Medicare Administrative Contractors (MAC) for CMS Medicare claims processing.

As a result of the adoption of the MAC strategy, CMS is reassigning the ZPIC jurisdictions so that workloads align with the new MACs. The intent of these realignments is to have one ZPIC responsible for the detection and deterrence of fraud, waste, and abuse across all claim types. CMS anticipates that the ability of a ZPIC to analyze data across all claims types will vastly improve identification of potential fraud.

CMS has established seven jurisdictional zones for the ZPICs that are designed to align effectively with multiple MAC jurisdictions (CO in Jurisdiction 4; MT, ND, SD, UT & WY in Jurisdiction 2). ZPICs are

required to use a variety of techniques, both proactive and reactive, to address any potentially fraudulent practices. These proactive techniques will include the ZPIC IT systems that will combine claims data and other data to create a platform for conducting complex data analysis. By combining data from various sources, the ZPIC will be expected to present an entire picture of a beneficiary's claim history regardless of where the claim was processed. The primary source of this data will be the CMS National Claims History.

Some of the benefits of the ZPIC strategy include:

- Improved efficiencies to look at providers across all benefit categories;
- Economies of scale through the consolidation of contractor management, data/IT requirements, facility costs, etc.;
- Streamlined CMS costs in acquisition, management and oversight;
- Better coordination and less resources required for the States; and
- Increased security of personal health information due to fewer contractors handling data.

**RECOVERY AUDIT
CONTRACTOR ACTIVITY
UNDERWAY**

CMS has implemented the Recovery Audit Contractor (RAC) program across the nation. Currently, all four RACs are fully operational.

CMS and the RACs encourage all providers to contact the RAC operating in their state to provide their precise mailing address that should be used for a Medical Records Request letter. CMS and the RACs also encourage providers to identify a specific contact person who will be in charge of responding to RAC Medical

Records Requests and tracking any such requests.

North Dakota facilities can reach HealthDataInsights on their Website www.racinfo.healthdatainsights.com, e-mail racinfo@emailhdi.com, or Part A 866-590-5598 and Part B 866-376-2319.

For additional information and resources concerning the RAC Program, please visit the RAC page (<http://www.cms.hhs.gov/rac/>) on the CMS Website.

PREPARING FOR ICD-10-CM/PCS

October 1, 2013, marks the compliance date for implementing the International Classification of Diseases, 10th Edition, Clinical Modification/Procedure Coding System (ICD-10-CM/PCS). All HIPAA-covered entities must implement the new code sets with dates of service or dates of discharge for inpatients that occur on or after that date. The new system, which replaces ICD-9-CM, will update medical terminology and classification of diseases and provide better data for clinical decision making, claims processing, research, tracking public health, and more.

ICD-10-CM offers many critical advantages of ICD-9-CM because it will allow for more accurate payment for services, improved quality by facilitating evaluation of medical processes and outcomes, increased flexibility for additions of emerging diagnoses and procedures, and greater precision in identifying diagnoses and procedures. Significantly, the improved and more logically structured ICD-10-

CM/PCS makes it easier to use than ICD-9-CM.

Many resources are available now to help you prepare for this transition. A quick overview found at <http://www.cms.hhs.gov/MLNProducts/downloads/ICD-10factsheet2009.pdf>, as well as an extensive set of Internet materials found at http://www.cms.hhs.gov/ICD10/05_Educational_Resources.asp#TopOfPage that will answer your questions and provide support. You should develop your implementation strategy, an education plan, and a budget to facilitate your transition.

Keep in mind: A prerequisite for implementing ICD-10-CM/PCS is being ready also to implement HIPAA 5010 by January 1, 2012. For information about HIPAA 5010, go to http://www.cms.hhs.gov/ElectronicBillingEDITrans/18_5010D0.asp and read the related MLN Matter Article found at <http://www.cms.hhs.gov/MLNMattersArticles/downloads/SE0904.pdf>.

FDA ALERT – STERIS SYSTEM 1 PROCESSOR

The FDA has issued a notice, found at (<http://www.fda.gov/MedicalDevices/Safety/AlertsandNotices/ucm191585.htm>) regarding the use of the STERIS System 1 Processor to sterilize endoscopes, bronchoscopes and other medical devices. They are urging facilities that use this system to replace the system as soon as possible, citing reports of system malfunctions.