

# NCDS update

A Billing Industry Newsletter for Clients

Keeping your office up-to-date on industry and insurance changes, late-breaking billing & reimbursement news, and general inter-office communication...

## DEMISE OF SOLO PHYSICIAN PRACTICES? NOT SO FAST.

BY: STEPHANIE BOUCHARD, HEALTHCARE  
FINANCE NEWS



While solo doctors are hearing from all directions that their independent practices are doomed, not all of them are ready to give up yet. Over the course of 2012, the message that solo physician practices are dead was continually in the news. In July, recruiting firm Merritt Hawkins was ready to put the nail in the coffin of solo practice, saying in its annual review of physician recruiting incentives that recruitment of doctors into solo practice settings was nearly nonexistent.

"When nobody is recruiting them that means that practice style is going away," according to Kurt Mosley, VP of strategic alliances for Merritt Hawkins and Staff Care, companies of AMN Healthcare. But not everyone is willing to buy that conclusion. While acknowledging the challenges doctors are facing, those still supporting solo physician practice have continued to point out why solo physician practice is not going away.

Solutions to counteract the dwindling of solo physician practices have been popping up to counteract the continued wave of solo practice negativity.

Shortly after Merritt Hawkins' report was released, the Physicians Foundation issued a report on the future of medical practice in which the report's author suggested the tide toward employment will turn as alternatives make themselves known.

Around the same time as the release of the Physicians Foundation report, a House Small Business Committee hearing on the situation was held. Several doctors giving testimony noted the reasons for the decline of solo practice, but also discussed suggestions for saving it.

Their suggestions included elimination of the sustainable growth rate and the creation of a stable payment process; programs to eliminate or reduce medical school debt in exchange for practicing in areas of great need; malpractice tort reform; injecting market values by having providers compete on quality and price; and allowing providers to band together so they can negotiate better.

In October, the discussion of diminishing numbers of solo practices continued at MGMA-ACPME's annual conference with a session dedicated to turning solo doctors on to business options.

Session leader, Chuck Peck, MD, president and CEO of Health Inventures, said that while a majority of doctors will be in some sort of partnership within five years, that partnership doesn't have to take the form of hospital employment. His options included joint venture management services organizations, captive professional organizations and joint venture physician services organizations.

For more information on this article please visit:

<http://www.pageturnpro.com/MedTech-Media/46898-Healthcare-Finance-News-December-2012/index.html#/5>

## MEDICARE PAY REPRIEVE IN PLACE; NEXT THREAT IS 2% CUT IN MARCH

BY: DAVID GLENDINNING, AMEDNEWS STAFF

The SGR patch, paid for by cuts to hospitals, some specialists and others, doesn't address long-term payment stability or looming Medicare sequestration reductions. After another year-end nail-biter on Capitol Hill in which lawmakers made preventing a massive Medicare physician pay cut their last action before adjourning, organized medicine called on Congress to chart a more rational course on the issue in 2013.

Late on Jan. 1, the House voted in favor of a legislative package approved by the Senate in the early hours of the morning that postponed a 26.5% cut to doctors' pay rates mandated by the sustainable growth rate formula, clearing the way for President Obama's signature on Jan. 2. Although enactment technically came after the cut officially had taken effect, the result of the retroactive measure is that all 2013 physician claims will be paid at 2012 levels. The House vote on the package was 257-167, and the Senate vote was 89-8.

Organized medicine groups, including the American Medical Association, hailed the passage of the latest SGR patch but reiterated their strong belief that Congress must approve a permanent solution that avoids the recurring year-end drama that ensues from leaving the temporary measure until the eleventh hour. The latest stopgap freezes doctor pay rates only through the end of 2013, after which the formula again will slash rates by about a quarter without a new legislative revision.

For the complete article please visit: <http://www.ama-assn.org/amednews/2013/01/07/qvl10107.htm>

## IMPORTANT CHANGE TO AETNA MEDICARE ADVANTAGE PROGRAM



Effective January 1, 2013 the Aetna Medicare Advantage (MA) plan will cover the Medicare Annual Wellness exam, but will no longer cover annual physical exams. The CPT codes for a wellness visit are G0438 and G0439; and the following CPT codes will no longer be covered: 99381-99397, 99401-99404, 99201-99205 and 99211-99215 with primary diagnosis of preventive. This change was made as a result of a change in coverage made by the Centers for Medicare and Medicaid Services (CMS). To avoid claims rejection, please bill appropriately for annual wellness exams. For additional information, CMS offers the following quick reference guides:

- [http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/downloads/AWV\\_Chart\\_ICN905706.pdf](http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/downloads/AWV_Chart_ICN905706.pdf)
- [https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/Downloads/MPS\\_QRI\\_IPPE001a.pdf](https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/Downloads/MPS_QRI_IPPE001a.pdf)

## ***MOST INTRIGUING FACTS OF 2012***

BY: AMEDNEWS.COM

- On average, Medicaid pays doctors 66% of Medicare rates.
- 10 U.S. medical schools do not have family medicine departments.
- U.S. rural areas have 25% of the population but only 9% of physicians.
- 20% of practicing physicians are 65 or older.
- Physicians' costs of providing care to patients have risen more than 20% in the last decade.
- 75% of physicians with an EHR say the system improved care.
- Only 39% of doctors had an ownership stake in their practices in 2012, down from 57% in 2000.
- 63% of physician job placements in 2012 were for hospitals, up from 11% in 2003.
- 83% of doctors use desktop computers as their primary means to access patient records.
- About half of U.S. patients believe care from an NP or PA is comparable to that from a physician.
- There is a 20% gap between what Medicare pays and what it costs physicians to treat patients.
- Patients with shorter waits give doctors higher ratings.
- 7,900 physicians and other health professionals have opted out of Medicare since 1998.
- Up to 30% of U.S. health care spending is spent on unnecessary tests and services.
- Nearly 19% of nonelderly Americans are uninsured.

For the full article and more intriguing facts please visit:

[http://www.ama-assn.org/amednews/site/facts12.htm?utm\\_source=nwltr&utm\\_medium=heds-htm&utm\\_campaign=20121231](http://www.ama-assn.org/amednews/site/facts12.htm?utm_source=nwltr&utm_medium=heds-htm&utm_campaign=20121231)

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## ***Q & A CORNER: DO EHRs INCREASE FRAUD AND ABUSE?***

EXCERPTS TAKEN FROM HEALTHCARE FINANCE NEWS, DECEMBER 2012

In late September, the U.S. Department of Health and Human Services and the Justice Department made public what it had observed as a troubling trend: the use of electronic health records (EHRs) by some provider groups and hospital systems to clone or "upcode" claims as a means to increase their reimbursements from programs like Medicare. In a recent interview with HIMSS, Stephen R. Levinson, MD., manager ASA, LLC and author of AMA's "Practical HER," Hamilton Todd, senior revenue analyst-revenue cycle, Revenue Cycle Systems Projects, at Mayo Clinic discussed EHRs and the potential for fraud and abuse.

**Q: What do you think about the intersection between EHRs and fraud and abuse?**

**A:** If not used correctly, computers have given us the power to make mistakes in large quantities at the speed of light. So, depending on the design of an EHR and how it is used by the provider, the electronic environment can certainly make it much easier to generate the amount of documentation required to support a higher-level code or to make medical necessity appear to be met when, in fact, neither case can be supported.

## ***SGR REPEAL TO GET HARD LOOK IN NEW CONGRESS***

BY: DAVID PITTMAN, WASHINGTON CORRESPONDENT, MEDPAGE TODAY

WASHINGTON -- Repealing the sustainable growth rate (SGR) formula for physician reimbursement under Medicare will likely be a high priority for the new leader of a key congressional health subcommittee. Rep. Kevin Brady (R-Texas), who took over as chair of the House Ways and Means Health Subcommittee as the 113th Congress kicked off this week, wants to work with the House Energy and Commerce Committee to craft legislation to permanently repeal the SGR and replace it "with a reliable physician reimbursement formula that rewards quality," the congressman wrote in a news release. He said he hopes to "push structural reforms this session to preserve Medicare and reduce Medicare fraud." Brady took over the subcommittee for the retiring Wally Herger (R-Calif.). The two committees -- Ways and Means and Energy and Commerce -- have jurisdiction over the SGR. Democrats also have a strong backer for SGR repeal in Rep. Jim McDermott, MD (D-Wash.), a psychiatrist who takes over as the subcommittee's top Democrat after last year's defeat of longtime congressman Pete Stark (D-Calif.).



"I would like see a repeal of the SGR formula," McDermott told *MedPage Today* in an email. "Providers cannot run their practices year after year under a cloud of threatened payment cuts. I was disappointed that the fiscal cliff deal did not include a repeal of SGR." "At the same time," he continued, "I want to reform physician payment. We need to get away from the fee schedule and move as quickly as possible to a system that rewards quality and safety rather than volume of procedures and tests." Physicians avoided a 27% cut in Medicare reimbursements on Jan. 1 as Congress included a so-called "doc fix" for 1 year in its bill to partially avert a "fiscal cliff."

But just having a couple of leaders on a key subcommittee vow support for an SGR repeal may not make it a reality. When asked about a way forward on eliminating the SGR, Rep. Mike Burgess, MD, (R-Texas) linked it to other sweeping Medicare reforms that have been slow to gain support. "Premium support was a way out of the SGR," Burgess told *MedPage Today* Tuesday morning. "I think it will still be part of our budget and it's still a way forward." A premium-support model advocated by conservatives would provide seniors with an amount of money to purchase either private insurance or opt for traditional Medicare. The money saved under such a system would help pay the cost of getting rid of the SGR.

To view the complete article please visit:

<http://www.medpagetoday.com/Washington-Watch/Washington-Watch/36963>