



UPDATE

PRACTICE MANAGEMENT

Volume 25, Number 1

April 2007

Medicare's Physician Quality Reporting Initiative



CMS has implemented a system for the reporting of consensus-based physician quality measures known as the Physician Quality Reporting Initiative. This program begins July 1, 2007 and runs through December 31, 2007 and will run annually thereafter.

This program provides a list of quality measures for which providers can receive a payment incentive under Medicare Part B. By using appropriate CPT Category II codes or G codes on the CMS 1500 or electronic submission of Medicare claims, physicians can receive a bonus equal to 1.5% of total allowed charges for covered Medicare physician fee schedule services rendered from July 1 to December 31, 2007. However, note that this program does not apply to Medicare advantage (HMO) programs. Claims must be received by Medicare by February 29, 2008 in order to qualify.

Physicians can receive an additional 1.5% of total **allowed** charges for covered Medicare services.

Initially, there will be 74 evidence based measures developed as the result of collaboration between physicians, physician organizations and other experts involved in the review of quality healthcare. Additional performance standards are being developed and will be implemented in subsequent years.

CMS will collect this information through the use of CPT Category II codes or "G" codes which will supplement claim data with clinical data. CMS actually anticipates that the use of these codes is an interim step until the electronic submission of data through electronic health records can be fully implemented.

Although each provider will be individually reported upon by Medicare at the end of the period, the bonus check will be issued to the tax identification number holder of record for that individual provider. Bonuses will be paid in mid-2008 for the July 1 to December 31, 2007 reporting period.

We are encouraging our clients to evaluate their allowed Medicare charges for prior 6 months to determine if that number multiplied by 1.5% is worth the training effort and time required to implement this program. Also, you will want to consider whether this bonus will be distributed based on your compensation formula or some other manner. Please call us if we may be of assistance.

For additional information go to www.cms.hhs.gov/PQRI.

Inside This Edition	
Medicare's Physician Quality Reporting Initiative.....	1
Tax Credits for Employee Training.....	2
Protect That Credit Card Data.....	2
The Electronic Health Record: High Technology not Artificial Intelligence.....	3
Medicare Revalidation.....	3
Company News.....	4

Tax Credits for Employee Training



Have you implemented new technology such as EMR or a phone system? If so, then you had to provide training to your employees, and that could result in a significant savings on your Georgia state taxes.

Physician practices and other health care providers in Georgia can benefit from a tax credit for technology investments and related employee training called the Retraining Tax Credit. However, very few practices know about or understand how to utilize the credit. Here is a brief overview:

- It applies to many types of employee training, including training for new equipment, practice management and EMR software installation, upgrades and add-ons. Even quality improvement and other business process change initiatives may qualify.
- It results in a dollar-for-dollar savings on Georgia income taxes and can apply to activities that occurred up to 3 years ago.
- Unused credits can be carried forward to future years.
- It increases the ROI on technology investments and frees cash for other investments.

Recently a 25-employee physician practice implemented an EMR system. The software vendor conducted on-site training for the employees. When the project was completed, the practice was able to take advantage of over \$14,000 in tax credits.

While there is no sunset on this tax credit, it is annually reviewed by the Georgia Legislature. Please give us a call if you want to know more about this and other tax credits that may be available to you. Clients in states other than Georgia should check with their CPA to see if similar credits exist there.

Protect That Credit Card Data



In 2003 the Fair Credit Reporting Act was amended with the passing of the Fair and Accurate Credit Transactions Act (FACTA). One section that was added that you may know little about involves the truncation of credit card and debit card numbers on customer receipts. The final phase-in of the effective date for compliance with that requirement was December 4, 2006.

Essentially this regulation requires that “no person that accepts credit cards and debit cards for the transaction of business shall print more than the last five digits of the card or the expiration date upon any receipt provided to the card holder at the point of sale or transaction.” This requirement, however, only applies to receipts that are electronically printed, not handwritten or imprinted receipts.

We bring this to your attention because many, if not all, of our clients are using credit cards as a method of collections. Make sure that if you are processing these transactions electronically that your system is truncating the last numbers of the credit cards. Under this Federal law there are specific financial penalties for failure to comply. (Moreover, many states now have identity theft laws that also cover this type of truncation.) If you need additional information, check with the entity that issues your credit card machine.

The Electronic Health Record: High Technology, not Artificial Intelligence



Along with the freeze of the conversion factor (again) for the 2007 Medicare Provider Fee Schedule were the compromises. One compromise is the expansion of the Medicare recovery audit contract (RAC) program from three states to include all states by January 10, 2010 for the purposes of identifying Medicare Part A and Part B overpayments and underpayments. This means there will be a division in your state that is funded and contracted for the purpose of finding providers who have been overpaid by Medicare and to recoup those monies. The audits performed by these contractors can be conducted retrospectively for up to four years. Expect increased chart audits for physician practices in your state. Electronic Health Record (EHR) documentation has come under increased scrutiny over the past two to three years due to EHRs that prompt physicians to perform additional services to increase the level of coding.

Many payors, including Medicare, monitor your usage of codes. They know how often your peers use each code based on your geographic location and specialty. When you consistently code higher than your peers, you are flagged and are likely to be audited.

The majority of the time, an EHR enables a physician practice to more thoroughly and accurately document work performed. It also allows the practice and outsiders to easily read medical records without deciphering handwriting or abbreviations. Even though the practice may have more legible and robust documentation, keep in mind that the *medical necessity* of the services provided may not warrant the level of coding being documented. Even with all of the benefits that an EHR can offer, remember that it is still evolving technology and it will require ongoing process improvement measures. It is important to develop an internal audit process in order to ensure your billing is both accurate and also compliant with the rules and regulations of your payors.

Implementing an EHR does not absolve you from knowing the coding guidelines. If the EHR has the functionality, it may suggest a code for you. You will then have to consider the medical necessity factor and determine if the suggested code is appropriate, overriding it as needed. If documentation is found to be in question, the practice must determine if the issues lie in clinical content or compliance. A detailed review of the clinical content set-up, with the practice EHR vendor, should be called for prior to making any major changes in the documentation behaviors of the practice providers.

In summary, EHRs should not be purchased with the goal of having it do the thinking for you. This goes not only for coding, but for your clinical knowledge as well. You will decrease the risk of recoupment and malpractice suits if you drive the EHR instead of it driving you. Utilize the EHR for better documentation, easy access to knowledge base, better record keeping, increased communication in healthcare, etc. At the same time, maintain your creativity and brilliance in your practice of the art of medicine. For assistance in evaluating the coding strength of your EHR, contact Lisa Eavenson, CPC, CMPE or Valerie Rock, CPC-A, ACS-EM.

Medicare Revalidation



A little known rule passed in November 2006 with an effective implementation date of November 15, 2006 is known as "revalidation". Under this rule Medicare providers have to submit and recertify the accuracy of their enrollment information every five years in order to maintain Medicare billing privileges.

The Rule specifically requires that if a Medicare contractor requests the provider to furnish information, the provider must do so within 60 calendar days from the date of notification. If you fail to do so, the contractor "shall revoke" the provider's billing privileges using existing revocation procedures.

You must also submit all required documentation with your revalidation application, even if that documentation is already on file with a contractor.

Finally, the contractor must verify all data furnished on the application just as they would with an initial enrollment.

Company News



Welcome Nancy Grimm

Nancy Grimm has joined Gates, Moore & Company as a staff consultant. Nancy has extensive experience in practice management as the former administrator of a hospital-based multi-site physician's network, manager of multiple ophthalmology practices under a Management Services Organization (MSO) model, and administrator of an AAAHC-certified single specialty ambulatory surgery center. Just prior to joining Gates, Moore & Company, she was the administrator of a multi-physician orthopaedic practice. Her consulting experience includes gastroenterology, neurology, physiatry, and psychiatry. Nancy specializes in operational improvement, practice establishment, expense control, and effective accounts receivable management. She is a member of Georgia MGMA.

Please join us in welcoming Nancy to our consulting staff!

Randy Penberg Achieves CMPE Status

We are proud to announce that Randy Penberg, President of MRG Medical Solutions, an affiliate of Gates, Moore & Company, has recently received notice that he passed the certification exam of the Medical Group Management Association qualifying him as a Certified Medical Practice Executive. We are proud to recognize Randy on this excellent accomplishment achieved by few within the medical practice management arena. For information on MRG software timeshare or billing services, you may contact Randy at 678-553-8150 or info@mrgga.com.

Please join us in congratulating him!

*Update: Practice Management
is published quarterly for clients by
Gates, Moore & Company
Your questions and comments may be
directed to:*

*Gates, Moore & Company
Tower Place 100, Suite 600
3340 Peachtree Road, N.E.
Atlanta, GA 30326
Phone: (404) 266-9876*

PUTTING EFFECTIVE MANAGEMENT INTO PRACTICE

*Presort Standard
U.S. Postage Paid
Permit #6581
Atlanta, GA*

Gates, Moore & Company
3340 Peachtree Road, N.E.
Tower Place 100, Suite 600
Atlanta, GA 30326