



CHANGES IN HIPAA WILL REQUIRE CHANGES TO YOUR BUSINESS ASSOCIATE AGREEMENTS

Beginning in February 2010, significant changes regarding Business Associate Agreements will become effective. In order to comply with HIPAA, the Health Information Technology for Economic and Clinical Health Act (HITECH) tightens the rules about what has to happen and who is responsible regarding issues of non-compliance.

Based on this new regulation, an obligation is imposed on covered entities (your practice) to police compliance of a business associate (BA). If you become aware of a pattern, activity or practice of the business associate that indicates a breach of the business associates' obligations under the Business Associate Agreement, you are required to take reasonable steps to fix that breach. If those steps do not appear to be successful, then the covered entity must either terminate the agreement or notify HHS.

The new HITECH regulation now requires that policing become reciprocal. That is, the business associate must also monitor your practice's compliance. If one party becomes aware of a breach of information by the other party, the non-breaching party has to take reasonable steps to fix the breach. As under the existing HIPAA regulations, if it is not possible to take corrective action, then the non-breaching party must terminate the contract, if feasible, or notify HHS.

Also under the HITECH Act, if a breach of security does occur, then the covered entity must describe that breach and give an accounting of the breach to the patient(s) whose information was breached or provide a list of all business associates who have access to the patient's personal data.

Because of these changes, it is probably safe to assume that your current Business Associate Agreement needs revisiting. The HITECH Act places more requirements on the business associate; accordingly, it is a good possibility that your Business Associate Agreement will need to be amended.

Also of particular concern is information from a survey conducted by the Healthcare Information and Management Systems Society (HIMSS) that many business associates are ill-prepared to comply with the new security breach rules. This should be of great concern to covered entities. In fact, the HIMSS study found that 12% of business associates were not aware of the HITECH Act provisions. Over 30% of BAs responding to the survey were not aware that they are now accountable for HIPAA Privacy and Security requirements.

You can anticipate that the current administration will focus on strict compliance through enforcement. Many interpret this rigid enforcement as the administration's attempt to prove that electronic health records are necessary and secure. Regardless of the reasons, compliance is critical.

Gates, Moore & Company, in conjunction with Epstein Becker & Green, a national law firm, has developed a supplement to the HIPAA manuals that we published in 2004. Visit our website at www.gatesmoore.com/hipaa_supplementalproduct.html to purchase this update.

Did you Know?

Since 2005 there have been 260 million security breaches nationwide, according to the Privacy Clearinghouse. The healthcare sector accounts for approximately 12% of all breaches according to datalossdb.org.

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WE'RE IN FORBES!

Gates, Moore & Company has been named 2009 Leading Providers in the United States of Accounting Professionals. Our company was one of only eight firms selected nationally and published in "The 400" Forbes Special Issue printed October 19, 2009. The criteria for this selection included:

- Exceptional client references;
- No unresolved lawsuits or grievances;
- Current accounting license;
- 95% client retention;
- 10+ years of experience;
- Member AICPA or a state society of Certified Public Accountants; and
- Participation in local community service activities.



In response to this news, Principal and founder Greg Gates stated that "This is further recognition of the dedication that our company has had for nearly 28 years to client satisfaction. I can only thank all of the staff for continuing this great tradition upon which Bob Moore and I founded the company."

IRS ANNOUNCES 2010 STANDARD MILEAGE RATES

WASHINGTON — The Internal Revenue Service issued the 2010 optional standard mileage rates used to calculate the deductible costs of operating an automobile for business, charitable, medical or moving purposes.

Beginning on January 1, 2010, the standard mileage rates for the use of a car (also vans, pickups or panel trucks) will be:

- 50 cents per mile for business miles driven
- 16.5 cents per mile driven for medical or moving purposes
- 14 cents per mile driven in service of charitable organizations

The new rates for business, medical and moving purposes are slightly lower than last year's. The mileage rates for 2010 reflect generally lower transportation costs compared to a year ago.

The standard mileage rate for business is based on an annual study of the fixed and variable costs of operating an automobile. The rate for medical and moving purposes is based on the variable costs as determined by the same study. Independent contractor Runzheimer International conducted the study.

A taxpayer may not use the business standard mileage rate for a vehicle after using any depreciation method under the Modified Accelerated Cost Recovery System (MACRS) or after claiming a Section 179 deduction for that vehicle. In addition, the business standard mileage rate cannot be used for any vehicle used for hire or for more than four vehicles used simultaneously.



CMS PECOS UPDATE

CMS announced on November 23 that it would delay implementation of new rules that give Medicare the authority to reject claims for services or supplies when the ordering physician or health care professional is not enrolled in the Medicare Provider Enrollment, Chain and Ownership System, or PECOS. The Agency is delaying implementation of the new policy until April 5, 2010.

The policy was first made public on October 5 and was designed to be phased in gradually. The original grace period was scheduled to end on January 4, but according to CMS, an extension of the implementation date will give physicians and other health care providers sufficient time to enroll or, if necessary, re-enroll in Medicare. Thousands of U.S. physicians enrolled in Medicare before PECOS was activated in 2003, and are affected by this change. If your physicians are affected, you should receive correspondence from CMS as well as notices on your Medicare remittances.

Company News

COSTELLOE CELEBRATES 20!

We are very proud to announce that **Christopher Costelloe**, Principal, recently celebrated his 20th anniversary with Gates, Moore & Company. Chris joined the company upon graduation from college and has experienced phenomenal professional growth over the past 20 years.

His focus on client service and contributions to staff development are just a couple of his attributes that have contributed to overall Company success. We are proud to have him as a partner, peer and friend! Congratulations Chris!



CONSULTING STAFF PROMOTED

We are excited to announce that **Valerie Rock** has been promoted from staff consultant to consultant. An employee with Gates, Moore & Company for six years, Valerie has continued to expand her coding expertise and to assist various Gates, Moore & Company clients with their coding and compliance needs. She recently assisted one client with a Medicare appeal that resulted in the reduction of a Medicare request for \$150,000 to \$13,000!

We are also excited to announce that **Allison Wilson** has been promoted from staff consultant to consultant. Allison has been with Gates, Moore & Company for six years and has become key in the provision of practice establishment services and also assisting clients with human resource and recruiting needs. She continues to develop firm relationships with the clients with whom she works.

We are very appreciative of Allison and Valerie's continued growth and development. Please join us in congratulating both of them on these promotions.

TWO NEW CONSULTANTS JOIN GATES, MOORE & COMPANY

We are pleased to announce that **Barbara Stahura** has recently joined Gates, Moore & Company as a senior consultant. Barbara's professional experience includes medical practice management and consulting for both hospital-based and office-based practices. Prior to joining Gates, Moore & Company, Barbara worked as a manager for the 415 Group, an accounting firm based in Canton, Ohio. She not only brings with her experience, but also a cadre of clients! Barbara received her Bachelor's Degree from Nazareth College in Rochester, New York and a Master of Arts in Public Administration from Kent State University. She is also a graduate of the Wharton School of Management Executive Management Institute.

We are also pleased to announce that **Terika Haynes** has joined Gates, Moore & Company as a consultant. Terika's experience in fair market value analysis specifically includes: on-call compensation, medical directorships, collection guarantees, and medical asset appraisals. In addition, Terika's diverse healthcare background includes experience with health insurance payors and multiple hospital systems in the realms of financial analysis, strategic planning, and business development. Terika received both a Bachelor of Science degree in Biology and Master of Health Administration from the University of Florida. She is a member of the American College of Healthcare Executives, National Association of Health Service Executives, and is active in community service activities.

We are extremely excited about these great new additions to our consulting staff!

GATES, MOORE & COMPANY ANNOUNCES AFFILIATION WITH SATINSKY CONSULTING

We are pleased to announce that we have developed a formal affiliation with Margie Satinsky of Satinsky Consulting. Based in Durham, NC, Margie has been providing practice management consulting to medical practices for the past ten years. Prior to consulting, she directed a PHO and also served as Director of Managed Care Contracting and Operations for Duke Health System.

Margie has a wealth of experience in managed care contracting, revenue cycle management, IT planning and implementation consulting, HIPAA Privacy and Security, and much more. She has presented numerous programs on a variety of topics and continues to be a featured speaker with the North Carolina Medical Society and MAG Mutual. She is a coauthor of "Medical Practice Management in the 21st Century."

We will utilize Margie's experience and skills to expand our consulting staff capacity and will provide additional expertise for Satinsky Consulting.

CERTIFICATIONS

Angela Seybert, Manager of Billing Operations with MRG Medical Solutions, a Gates, Moore & Company affiliate company, has completed her study and course work and received a certificate as a Certified Professional Coder as issued by the American Association of Professional Coders. Great job, Angie!

It's TIME TO UPDATE YOUR "EEO IS THE LAW" POSTER

On November 21, 2009 a little known law became effective. This law is known as the Genetic Information Non-Discrimination Act (GINA). GINA is actually an expansion of the Americans with Disabilities Act of 1990.

Title II of the Genetic Information Non-Discrimination Act of 2008 protects employees from having their DNA used against them thereby making personal genetics another protected class along with race, religion, creed, sex, etc. The law limits the employer's acquisition of genetic information and strictly limits disclosure of genetic information. The element that makes this segment of the law somewhat unusual is that it expands to include genetic information regarding not only applicants or employees, but also their family members.

To download an amendment to your "EEO is the Law" poster, go to http://www.eeoc.gov/employers/upload/eeoc_self_print_poster.pdf.

2010 CPT CODING AND COMPLIANCE UPDATE

Plan to attend the new extended version of our annual coding seminar on January 20, 2010. This three-hour conference will devote time to the topics you need to know for compliant billing and audit management in 2010.

- Learn how to implement the major CPT coding changes into your practice's documentation and billing
- Find out the latest on government audit activity from the RACs, MACs, MICs, etc.
- Learn tips for proactive compliance efforts to decrease audit and recoupment risk.

Limited seating. [Click here to register now and receive more information.](#)

Registration deadline is January 10, 2010.

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

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