



JANUARY 1, 2011 NEW IOASE PROVISION GOES INTO EFFECT

Effective January 1, 2011, the newest element of the Stark regulations, the notice provisions of the In-Office Ancillary Services Exception (IOASE), becomes effective. These provisions require physicians or group practices to furnish a notice of disclosure to certain patients that they self-refer for MRI, CT or PET services. Here is how this regulation works:

- The regulation applies only to Medicare, Medicaid and Champus or Tricare patients.
- The written notice must be provided at the time of the referral – not the time of the service – so that the patient may arrange to receive the same services from another practice or supplier if they so choose.
- The written notice must include a list of at least five alternative suppliers that provide the exact service. These providers must be located within a 25 mile radius of the referring physician’s office location. If there are fewer than five located in the 25 mile radius, simply list all of the providers. The alternative suppliers’ address and telephone number must also be provided.
- Based on the current regulation, the interpretation of “suppliers” means other physician practices providing a similar service, independent diagnostic testing facilities, or hospitals. Note that in this regard simply listing other physician practices that may have the same modality but utilize it in a different method, is not permitted. For example, an orthopaedic surgeon refers a patient for a spine MRI and his/her practice has a full body MRI. There is a physical medicine practice within the 25 mile radius that also has an MRI but it’s only a C-arm. Accordingly, it would not be appropriate for the orthopaedic practice to list the physical medicine practice as another supplier since obviously that practice cannot perform the exact same procedure as the orthopaedic group.
- The final regulation eliminated the proposed requirement that the patient sign the notice and that the notice be kept in the patient’s chart. However, it is our opinion that it would be prudent for practices to document that they are following the notice provision of the IOASE in such a manner.
- The IOASE requirements may differ from your state requirements related to patient self-referral. The cautious practice should be familiar with the application of each set of regulations.

Obviously now is the time to begin gathering information relative to other suppliers in your area if you perform CT, MRI or PET. Make certain that your staff is adequately trained to identify the need to give Medicare, Medicaid, and Champus Tricare patients the information in a timely manner. We also recommend that you consider a qualifying statement in your notice that this is being done in response to a Federal requirement and that the listing of other suppliers of specific services is not meant to be an endorsement or recommendation of those suppliers.



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The GatesMoore office will be closed on Friday, December 24 and Friday, December 31 for our staff to be with their families for the holidays.

DOCTORS EXEMPT FROM RED FLAG RULE

The House and Senate have both passed The “Red Flag Program Clarification Act” that exempts physicians from complying with the Federal Trade Commission’s identity theft law known as the Red Flag Rule. The exemption became effective December 31, 2010. That’s great news but what is your HIPAA compliance status these days? Call us for a check-up.

MEANINGFUL USE MEASUREMENTS TO BEGIN

The American Recovery and Reinvest Act (ARRA)(aka the Stimulus Program) included a \$19 billion package entitled the Health Information Technology for Economic and Clinical Health Act (HITECH). In part, the purpose of this federal allocation was to encourage the healthcare industry to adopt electronic information technology.

The HITECH Act lists three broad objectives:

- Physicians should begin using certified electronic health record (EHR) technology in a meaningful manner.
- The EHR systems used must have the capacity to provide electronic exchange of health information to improve the quality of care.
- Eligible providers must submit information related to clinical quality and other measures as defined by the Secretary of HHS.



This program is commonly referred to as “Meaningful Use”.

2011 marks the first year that eligible providers can begin participating in this program and receiving benefit from it. The benefit is spread out over a five-year period from 2011 to 2015 (or 2016, if you begin in 2012) and can total \$44,000 per provider. The catch is that after 2015, providers that don’t participate in the program will be penalized through reduced Medicare payments.

HOW DO I MEET MEANINGFUL USE?

The Meaningful Use criteria consists of fifteen core elements that providers must complete in order to qualify for the maximum EHR incentive. As well, there are ten additional criteria that providers can choose from to meet Meaningful Use. In total, a provider must meet twenty meaningful use criteria to qualify for the stimulus payments during Stage 1 of this incentive program. Accordingly, providers must meet all fifteen of the mandatory Meaningful Use criteria and five of the optional menu Meaningful Use criteria. Listed below are all of the Stage 1 criteria:

Mandatory Meaningful Use Criteria

1. Record patient demographics (including gender, race and ethnicity, date of birth, preferred language) at least 50% of the time
2. Record vital signs (height, weight, blood pressure, body mass index, and growth charts for children) at least 50% of the time
3. Maintain up-to-date problem lists at least 80% of the time
4. Maintain active medication lists at least 80% of the time
5. Maintain active medication allergy lists at least 80% of the time
6. Record smoking status for patients older than 13 years of age at least 50% of the time
7. Provide patients with a clinical summary for each office visit within 3 business days, at least 50% of the time

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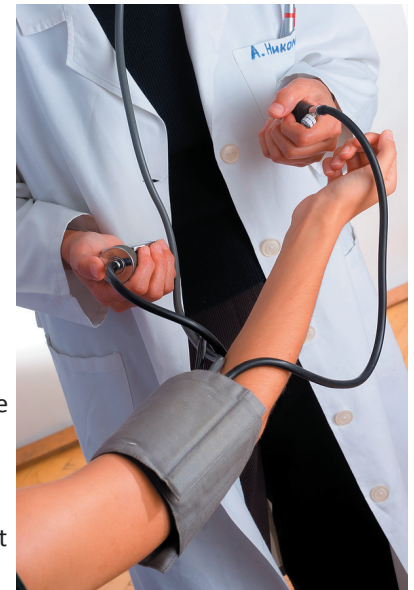
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8. On request, provide patients with an electronic copy of their health information (including test results, problem lists, meds lists, allergies) within 3 business days, at least 50% of the time
9. Generate electronic prescriptions at least 40% of the time
10. Use Computerized Physician Order Entry (CPOE) for medication orders at least 30% of the time. (note: CPOE for lab ordering, imaging ordering, and referrals are not addressed here – only medications)
11. Implement drug-drug and drug-allergy interaction checks at least 40% of the time
12. Be able to exchange key clinical information among providers by performing at least one test of the EMR's ability to do this.
13. Implement one clinical decision support rule, and ability to track compliance with the rule (this is reduced from the previous 5 rules to the final 1 rule)
14. Implement systems that protect privacy and security of patient data in the EMR, by conducting or reviewing a security risk analysis, and taking corrective step if needed
15. Report clinical quality measures to CMS or states – for 2011 provide aggregate numerator and denominator through attestation; for 2012, electronically submit measures (this refers to PQRI measures)

Optional Menu Meaningful Use Criteria

(Eligible providers must demonstrate at least five of the following ten items)

1. Implement drug-formulary checking
2. Incorporate lab test data into the EMR as structured data
3. Generate lists of patients by specific conditions (to use for quality improvement, reduce disparities, research, or outreach)
4. Use EMR technology to identify patient-specific education resources, and provide those to the patient as appropriate – and do this at least 10% of the time
5. Provide medication reconciliation between care settings, at least 50% of the time
6. Provide summary of care record for patients transferred to another provider or setting, at least 50% of the time
7. Submit electronic immunization data to local registries (performing at least one test of data submission, where registries can accept them)
8. Submit electronic syndromic surveillance to public health agencies (perform at least one test, where local agencies can accept them)
9. Send reminders to patients (per patient preference) for preventive and follow-up care, at least 20% of the time, or for over-65 year-olds or under-5 year-olds
10. Provide patients with timely electronic access to their health information, at least 10% of the time



To register and get started on the Meaningful Use program go to:

<https://www.cms.gov/ehrincentiveprograms/>

GATES NAMED FOR HONOR BY ATLANTA MAGAZINE THIRD YEAR IN A ROW

Greg Gates has been named as one of the 2010 5 Star Wealth Managers in the category of taxation by Atlanta Magazine. This award is given to individuals in the various categories of the accounting profession in recognition of their outstanding client support. 2010 marks the third consecutive year that Greg has received this award. Congratulations Greg!

Company News

GATESMOORE EXPANDS ITS VALUATION SERVICES

The fourth quarter of 2010 brought about a major expansion to GatesMoore. Due to the increased activity in valuations of medical practices and other healthcare entities as well as fair market value assessments of physician compensation arrangements, lease agreements, etc., GatesMoore has expanded its capability in these areas with the addition of four new team members.

Darcy Devine, AVA, AIBA returns to GatesMoore as a Principal. Darcy specializes in the valuation of healthcare assets and physician services with an emphasis on physician and hospital transactions and financial arrangements. She has valued medical practices ranging in size from one physician to more than 200 encompassing virtually every medical and surgical specialty. She also has a great deal of experience in valuing ancillary activities such as ambulatory surgery centers, imaging centers and other types of physician and hospital facilities.

Darcy is a member of the Healthcare Financial Management Association and the Medical Group Management Association. She is an accredited valuation analyst through the National Association of Certified Valuation Analysts and is an accredited member of the Institute of Business Appraisers. Darcy received her Master's in Business Administration from the Terry College of Business at the University of Georgia and a BPA from the Goizueta School of Business at Emory University.

Robert (Robbie) Mundy, CPA/ABV, CVA joins GatesMoore with nearly ten years of business valuation experience. Robbie has a broad background in business valuations with extensive experience in healthcare valuation engagements focusing on mergers and acquisitions, financial reporting, joint ventures, divestitures, partnership transactions and leasing arrangements. While he has valued his share of medical practices, he has also valued acute care and specialty care hospitals, diagnostic imaging centers, ambulatory surgery centers, skilled nursing facilities, assisted living centers and a variety of other entities. Robbie is a certified public accountant and holds the designation of Accredited in Business Valuation from the American Institute of CPAs. He is also a Certified Valuation Analyst through the National Association of Certified Valuation Analysts. Robbie holds a Bachelor of Science and Accounting from Bob Jones University in Greenville, South Carolina.

Briana Gordon has also returned to GatesMoore. Briana specializes in the valuation of healthcare services and assets, specifically healthcare related businesses and physician practices. She also assists with physician compensation engagements including fair market value reviews of physician compensation arrangements for employment, medical directorships and call. She works with our consulting team as well on medical staff development plans, community benefit needs assessments and physician needs assessments.

Briana is a candidate member of the American Society of Appraisers. She is also pursuing a Masters of Business Administration at Emory University's Goizueta School of Business and holds a Bachelor's of Art from Georgia State University.

Emma Miller specializes in the valuation of machinery and equipment. Through her focus, she has assisted with the valuation of hospitals and physician practices. Emma is also working with our consulting team assisting in conducting fair market value reviews of physician compensation arrangements. Interestingly, she also has experience in reviewing physician related non-monetary compensation arrangements including certain hospital marketing and promotion initiatives.

Emma is a candidate member of the American Society of Appraisers. She holds a Bachelor of Commerce from Deakin University in Melbourne Australia.

Please join us in welcoming Darcy, Robbie, Briana and Emma to our already great consulting team!

MILLER TAKES A STEP TOWARDS CERTIFICATION

Emma Miller, Consultant, recently completed a five-day course sponsored by the National Association of Certified Valuation Appraisers entitled "Business Valuation Certification" and, quite simply, passed! The next step in the process is for Emma to complete a very detailed case study and submit it for approval. We are extremely proud of Emma for this major accomplishment.



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