SATINSKY CONSULTING

EARLY SPRING 2009 NEWSLETTER

One of the most formidable challenges in running a medical practice is keeping up-to-date with new laws and regulations. Here's a brief summary of four of the important new statutes and rules and suggestions for your practice. Make sure you understand what changes lie ahead so you can plan your response and seek outside help if you need it.

Margie Satinsky

COMPLIANCE UPDATE

1. **Health Information Technology for Economic and Clinical Health (HITECH) Act of 2009.** Part of the 2009 Stimulus package, the Act was signed into law on February 17, 2009. The act includes financial incentives for "meaningful use" of Electronic Health Record (EHR) systems beginning in 2011. Although specific details are not yet clear, here's what we know right now. To qualify for the incentive, physicians must use a "certified" EHR. Although certification hasn't been defined, the general consensus is that the stamp of approval of the independent Certification Commission for Healthcare Information Technology (CCHIT) will be necessary. With respect to meaningful use, some but not all of the standards have been identified. These include the use of ePrescribing, the capability to electronically exchange information, and the ability to submit quality measures.

   Another section of the HITECH Act affects the Health Insurance Portability and Accountability Act (HIPAA). Changes in Civil Monetary penalties and in the ability of state attorney generals to pursue civil actions went into effect immediately. Other changes that will be clarified during the next year affect the obligations of Business Associates with respect to the Security Rule, security breach notification requirements, requested restrictions on the disclosure of individual Protected Health Information (PHI), minimum necessary disclosures, accounting of disclosures with EHRs, patient access rights to PHI in electronic format, the definition of health care operations, additional limitations on marketing, and sale of PHI.

2. **Red Flags Rule.** In spite of strong opposition by the healthcare industry, the Federal Trade Commission's Red Flags rule regulating "creditors" will go into effect on May 1, 2009. Part of the Fair and Accurate Credit Transactions (FACT) Act of 2003, the rule requires creditors who maintain "covered accounts" to implement an identity-theft prevention program using red flags that suggest possible risk of identity theft. If you are not sure why the rule applies to medical practices, think of your billing practices. If you participate with various public and private health insurance plans, you may collect a co-payment but not the full amount at the time of service. Examples of low-cost risk prevention methods would be checking of patient photo identification and the development of policies to deal with identity theft.

3. **Department of Health and Human Services Transition to ICD-10 Code Sets.** DHHS has issued a final rule calling for the replacement of the International Classification of Diseases, 9th edition, Clinical Modification (ICD-9-CM) with a greatly expanded ICD-10 code set. ICD-10 Procedure Code Set (PCS) will continue to be used for inpatient procedure coding, and Current Procedural Terminology (CPT) will continue to be used for outpatient procedures. The compliance date is October 1, 2013. Among the deficiencies of the ICD-9 code set that led to the adoption of ICD-10 are:

    - Its limited ability to accommodate new procedures and diagnoses within the existing hierarchy
    - Lack of precision for new uses such as pay-for-performance and bio-surveillance
    - Limitations created by grouping of certain procedures within a single code
    - Limited space to expand, and
    - Problems with respect to public reporting.

4. **Department of Health and Human Services HIPAA Healthcare Transactions Version 5010.** The Transactions and Code Sets final rule of HIPAA (2000 and 2003) set forth standards that covered entities (providers, clearinghouses, health plans, etc.) were required to use in administrative transactions such as claims remittance, eligibility, claims status requests, and responses. Version 5010 updates some of these standards and also impacts the National Council Prescription Drug Programs for electronic pharmacy-related transactions and adds a standard for Medicaid pharmacy subrogation transactions. The compliance date is January 1, 2012. Small health plans have an additional year to meet the new requirements.

What These Changes Mean for You and What You Should Do

Each of these changes will have a significant impact on your practice. At the very least, make sure you keep up-to-date as the details of the statutes and rules become clear. In come cases you can make the necessary changes by modifying existing policies and procedures. In other cases, however, you must make sure that your vendors comply with new requirements. It's possible that your existing software won't meet the new standards and that you will have to replace your legacy systems. It's certain that your staff must learn a lot of new information. If you have a professional practice administrator or manager who can lead you through the maze of new requirements, consider yourself lucky. If you don't have the internal resources to make many of the necessary changes, seek outside assistance. Either way, build into your budget a cost for compliance.

Upcoming Presentation

May 2, 2009 **Selecting and Implementing IT Solutions to Support Your Psychiatric Practice**
North Carolina Psychiatric Association, Chapel Hill, NC

Recently Published Articles

Visit **www.satinskyconsulting.com/web/publications.htm** to find these articles by Margie Satinsky offering advice on starting up your own practice:

- **"Avoiding the pitfalls when starting your own medical practice"**
  Skin & Aging • January 2009
- **"Fresh Start: Should a Practice Start-up Be in Your Career Plans?"**
  MGMA Connexion • May/June 2008

Also, stay tuned for the May 2009 article in **Skin & Aging**, "Tackling Critical Human Resource Issues - Tips for recruiting, hiring, and retaining great employees." This article will also be posted on our site in the future.

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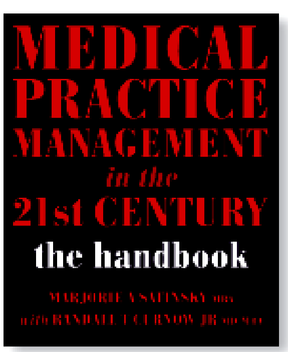
Ideas for Managing Your Practice in Tough Economic Times

If you are looking for new ideas to improve your bottom line and practice operations, order **The Handbook for Medical Practice Management in the 21st Century**. The book and the companion Web site offer concrete suggestions and practical tools. Authored by Marjorie A. Satinsky, M.B.A., with Randall T. Curnow, Jr., M.D., M.B.A., the handbook is available from Radcliffe Press. To order the book, call 800.247.6553 or visit **www.radcliffe-oxford.com**



- **Dr. Mark A. Crissman of Crissman Family Practice in Graham, NC explains:**
  "What truly sets this book apart from other practice management books for physicians is that it does not stop with having developed a plan. It offers powerful, practical, and useful strategies for implementing a plan, even in established practices such as mine."
- **Here's what Dr. Robert S. Galvin, Director of Global Healthcare for General Electric (GE), says about the handbook:**
  "Medical Practice Management in the 21st Century is written for the busy practitioner – clear, concise, and practical without any wasted space. I wish I had had this resource when I was starting practice. It's the bible for practice management, just as the Washington Manual was in earlier years."

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