

## SUMMARY OF ISSUES CONFRONTING MEDICAL PRACTICES

Keeping up with the tumultuous external environment is the number one challenge for medical practices. In this supplement to our [Spring 2012 newsletter](#), which focuses on the emerging requirements for Stage 2 of Meaningful Use, we keep you aware of other issues that may have a significant impact on your practice.



Margie Satinsky

- **Medicare reimbursement in flux.**

The temporary Congressional aversion to a 27.4% decrease in rates is only a short-term fix. Given the uncertainty surrounding the Medicare reimbursement, practices should continue to carefully monitor their expenses and look for ways to improve efficiency.

- **Transition to Version 5010.**

In a Proposed Rule issued April 9, 2012, CMS recommended postponing from October 2013 to October 2014 the deadline for complying with Version 5010 standards for electronic claims and other transactions.

- **Penalties for not using ePrescribe.**

CMS will penalize physicians who are eligible for Medicare e-prescribing and didn't begin in 2011 or claim a hardship. The 2012 penalty of 1% will increase in subsequent years.

- **Deadline for implementing ICD-10 codes.**

On April 17, 2012, HHS issued a Proposed Rule for postponing the deadline for making this difficult transition from October 1, 2013 to October 1, 2014. Although the change is no longer imminent, work with your vendor to make sure you are well-informed and prepared. The magnitude of the change will be great. For example, the number of diagnosis codes will rise from about 13,000 (ICD-9) to 68,000 (ICD-10), and procedure codes will rise from about 4,000 (ICD-9) to 87,000 (ICD-10).

- **Compliance.**

The federal government continues to focus on reducing fraud and abuse and on the enforcement of HIPAA compliance. HIPAA compliance is part of Meaningful Use – but certainly not the only reason to meet both Privacy and Security Rule requirements.

- **Constitutionality of the Affordable Care Act.**

Following arguments, the Supreme Court will rule on the constitutionality of the Act in June 2012. Regardless of the decision, practices will feel an impact. For example, if you are treating patients who would not have sought care had the Act not been in place, how will you respond if those patients lose their financial support and must pay entirely out-of-pocket?

- **Alternative payment models.**

The Center for Medicare & Medicaid Innovation (CMM) and the Center for Medicare and Medicaid Services (CMS) are continuing to explore payment models other than fee-for-service. Accountable Care Organizations (ACOs) are one example. Make sure you know what options are available to you as a free-standing practice or as a part of a larger organization.

- **Site of service payment differentials.**

Many private payers already reimburse at different rates depending on site of service. The Medicare Payment Advisory Commission and Congress may follow suit. What impact might this change have on your reimbursement?

- **Health Information Exchange (HIE).**

Once medical practices implement electronic health record (EHR) systems, the next step will be connecting records across the state so physicians and other providers have access to them. The North Carolina HIE is in the process of developing links with qualified organizations. Community Care of North Carolina is the first qualified organization. Keep your antenna up for others.

- **Workers' Compensation reform.**

if your practice participates in the workers' compensation program, make sure you understand the provisions of the 2011 legislation. The North Carolina Medical Society will provide guidance through its new *Rules for Physician Communications with Employers: A Guide for Medical Practices*.

- **Upgrade of NC Medicaid EHR incentive payment system.**

Medical practices that have or plan to apply for Meaningful Use EHR incentive payments in 2012 through the state Medicaid payment can expect an upgrade in the attestation system.

## Concerned About Addressing These Issues in Your Practice?

Satinsky Consulting, LLC can help you understand the operational, financial, and IT implications. Contact us by phone (919.383.5998) or by email ([margie@satinskyconsulting.com](mailto:margie@satinskyconsulting.com)).