

# Recent CMS Initiatives

By Adrienne Dresevic, Esq. and Carey F. Kalmowitz, Esq., and Stephanie P. Ottenwess, Esq.

## MPPR

On January 26, 2012, the Centers for Medicare & Medicaid Services (CMS) issued a transmittal (2395) that implements the multiple procedure payment reduction (MPPR) policy for certain diagnostic imaging procedures for critical access hospital (CAH) Method II providers, which most assuredly will affect the bottom line for CAHs in 2012. The effective date of these changes is January 1, 2012 with an implementation date of July 2, 2012.

The transmittal applies the MPPR to physician services of certain diagnostic imaging procedures (ie, CT, MRI, and ultrasound services) when (i) furnished to the same patient, (ii) by the same physician, (iii) during the same session on the same day and billed by CAHs that have elected the optional method for outpatient billing. Physicians billing on an 85X bill type for professional services rendered in a Method II CAH have the option of reassigning their billing rights to the CAH. If the billing rights are reassigned to the Method II CAH, payment is made to the CAH for professional services (revenue code [RC] 96X, 97X, or 98X) based on the Medicare Physician Fee Schedule (MPFS) supplemental file, according to CMS. When a CAH elects Method II reimbursement for any of its physicians who perform outpatient services at their facility, the facility is provided additional reimbursement for the overhead costs of processing the professional billing. The reimbursement is 115% of what the MPFS would have paid the practitioner which can be a significant financial incentive for CAHs.

Although CAHs have until July 2, 2012 until this reduction is implemented, they are well advised to start evaluating the financial impact this will have on their bottom line.

## Changes to Enrollment Procedures

On January 13, 2012, CMS issued Transmittal 402, which, effective January 27, 2012, changes the required enrollment procedures for Advanced Diagnostic Imaging (ADI) providers and suppliers with respect to accreditation information. As we reported in the September 2011 issue of Link, CMS issued

Transmittal 380 on August 3, 2011 in order to update CMS enrollment application forms (ie, CMS 855I and CMS 855B) to reflect information regarding ADI accreditation. CMS implemented (effective January 1, 2012) the requirement that ADI providers and/or suppliers must be accredited for ADI services specific to each modality for which they will submit claims.

By way of background, CMS designated three national accreditation organizations (AOs) to accredit providers/suppliers who furnish the technical component of ADI procedures. The covered ADI services are limited to MRI, CT, and nuclear medicine, such as PET. However, other diagnostic imaging services may be added to the list in the future. Notably, the accreditation requirement applies only to the providers/suppliers of the technical component of ADI services, and not to the physician's interpretation of an image, and only to those who are paid under the Physician Fee Schedule. The CMS approved AOs present monthly reports to CMS disclosing the accredited ADI suppliers; the reports include beginning and end accreditation dates for each provider/supplier and the particular modalities for which accreditation is received.

Transmittal 380 provided guidance regarding the system parameters for the accreditation requirement. Particularly, the transmittal specified the current enrollment procedures for newly enrolling ADI providers/suppliers which required them to provide their accreditation information on their respective CMS-855 form, or through the internet-based PECOS. CMS's most recent changes to this process, issued through CMS Transmittal 402, rescinded and replaced Transmittal 380. This most recent transmittal establishes a new process, effective January 27, 2012, that allows for ADI providers/suppliers to bypass ADI information collection on the appropriate CMS 855 form or in the Internet-based PECOS. Instead, the accrediting organizations will submit a weekly file to CMS for those providers/suppliers who are accredited. This file will be loaded into PECOS to validate each provider's accreditation.

In summary, CR 7681 specifically instructs that Medicare contractors will:

-- Not require documentation from the ADI provider/supplier for proof of their accreditation; and  
-- Not require providers/suppliers to complete the ADI section in the Internet-based PECOS application nor in the appropriate CMS-855 form.

Instead, the accrediting organizations will provide this information directly to Medicare and its contractors. The Medicare enrollment contractors must accept applications from providers/suppliers who are accredited for the new ADI accreditation but are not required to verify the ADI information, if provided on the application. The contractor shall simply verify all other information to ensure the application meets the current enrollment requirements.

### Comparative Billing Report

On February 16, 2012, CMS will release a national provider Comparative Billing Report (CBR) addressing Advanced Diagnostic Imaging. The CBR, produced by Safeguard Services under contract with CMS, is a documented analysis that shows a provider's billing pattern for various procedures or services and compares that billing to their peers located in their state and across the nation. According to Safeguard Services, the CBR is not intended to be punitive or sent as an indication of fraud. Instead, the report is intended to be a helpful tool, providing peer comparisons which can be used to provide helpful insights into the providers own coding and billing practices.

To ensure privacy, CMS presents only summary billing information; no patient or case-specific data is included. These reports are not available to anyone except the providers who receive them. Currently, a CBR subscription list does not exist. A CBR is

sent only to a specified study sample, with a maximum sample size of 5,000 providers. Safeguard Services advises that they are currently working with CMS to evaluate the capability of producing ad hoc requests for CBRs in the future.

If you would like additional information and to review a sample of the Advanced Diagnostic Imaging CBR, you can visit the CBR Services website at [www.CBRservices.com](http://www.CBRservices.com) or call the SafeGuard Services' Provider Help Desk, CBR Support Team at 530-896-7080. Providers who are not already in the study sample (who will receive a copy of the CBR), are well advised to periodically review the CBR Services website to determine if ad hoc requests become available for future CBRs.

*Adrienne Dresevic, Esq. graduated Magna Cum Laude from Wayne State University Law School. Practicing healthcare law, she concentrates in Stark and fraud/abuse, representing various diagnostic imaging providers, eg, IDTFs, mobile leasing entities, and radiology and multi-specialty group practices.*

*Carey F. Kalmowitz, Esq. graduated from NYU Law School. Practicing healthcare law, he concentrates on corporate and financial aspects, eg, structuring physician group practice transactions; diagnostic imaging and ancillary services, IDTFs, provider acquisitions, CON, compliance, and Stark and fraud/abuse.*

*Stephanie P. Ottenwess, Esq. graduated from Wayne State University Law School. Practicing healthcare law, she concentrates in fraud/abuse, compliance and risk management.*

*The authors are founding members of The Health Law Partners, P.C. and may be reached at (248) 996-8510 or (212) 734-0128, or at [www.thehlp.com](http://www.thehlp.com).*

## Commentary

# Resolutions: Not so Much for the Millennials

By Michael Jordan, MHA, CRA, RT(R)

New Year's Day has now come and gone. The confetti has fallen, and the celebrations have all subsided. Resolutions have been made. Some have been forgotten or abandoned for the comforts of life as usual. Other resolutions remain for a few more weeks, as evident by the last few people working out at the gym until they fade back to less healthy patterns. All this hoopla around resolutions got me to thinking about how many times I have set a New Year's resolution. The answer is never. I can not remember one year that I had set a real resolution for myself. I wondered if it was an age thing or was it just me? In my previous articles, I have given some helpful advice and calls to action for my fellow millennial age group, but this article is different. This is one of the times that other age groups may be able to gain insight from the millennial age group.

To figure out if I was average in my peer group, I sought out what others had made in terms of resolutions for the year. What I found really surprised me. The people that I asked did

respond along the lines of their generation. I want to point out that this was not a scientific study! It represents only those that I talked to and is in no way a representation of all age groups, locations in the US, or socioeconomic class. When I inquired what resolutions that those in the millennial age group had made, I found that I was in the majority with very few making resolutions. I had to wonder: what does that mean?

In digging further with those I spoke to I found that most did not place weight on a New Year's resolution because of the frequency of failure. This may also be why so many in the millennial age group live with a significant other instead of getting married beforehand, or ever. Instead of the focus on a New Year's resolution, the people who I talked with chose to focus on what is most important to them at that time. This is interesting because for many years now this is what the millennial group has been bashed for doing: focusing on what is most important to them now. There is no definitive start date or end date, just a focus. They do not wait, procrastinate, delay, or