

CMS Update
Region D Annual Meeting
State Offices of Rural Health
Albuquerque, NM
May 29, 2009

What's New?

- New Administration
- New HHS Secretary
- CMS Administrator not yet named
- HRSA Administrator in place
- Uncertainty? Economy, regulations, health care reform?

Inpatient PPS Proposed Rule

- On display recently and discussed in the Hospital Open Door Call May 6, 2009
- Scheduled for publication in the Federal Register on May 22, 2009
- Comment period closes June 30, 2009
- Has 3 sections applicable to critical access hospitals

IPPS Proposed Rule – CAH Lab

- Payment for Clinical Diagnostic Laboratory Tests Furnished by CAHs: implements MIPPA Section 148, effective for services on or after July 1, 2009
- For CAHs to receive 101% of reasonable cost for lab, the patient does not have to be physically present in the CAH at the time the specimen is collected

IPPS Proposed Rule - CAH Lab

- If the patient is not physically present in the CAH at the time the specimen is collected, CMS proposes that the patient must continue to be an outpatient of the CAH and be receiving services directly from the CAH

IPPS Proposed Rule - CAH Lab

- In order to be receiving services directly from the CAH, CMS proposes that either the patient must be receiving outpatient services in the CAH on the same day the specimen is collected, or the specimen must be collected by an employee of the CAH

IPPS Proposed Rule – CAH Lab

- If the patient is physically present in the CAH or a facility that is provider-based to the CAH when the specimen is collected, CMS proposes to permit payment of the lab at 101% of reasonable cost, regardless of whether the specimen was collected by an employee of the CAH

IPPS Proposed Rule – Provider Based Status of Facilities and Organizations

- CMS proposes to specify that CAHs may also receive 101% of reasonable cost for lab when CAHs operate provider-based Clinical Diagnostic Laboratories which meet applicable provider-based requirements

IPPS Proposed Rule – Provider-Based

- Provider-based labs would also have to meet other requirements for provider-based facilities operated by CAHs, including distance requirements in Section 485.610(e) (including requirements for off-campus entities created or acquired after 1/1/2008 which cannot be within 35 miles of a hospital or CAH)

**IPPS Proposed Rule – CAH
Method 2 (Optional Method)**

- CMS proposes to make a regulatory correction to conform to Section 1834(g) of the Act
- CAHs that elect Method 2 (Optional Method) will be paid reasonable cost for facility services
- Only CAHs not electing Method 2 (Optional Method) will be paid 101% of reasonable cost for facility services

IPPS Proposed Rule - Ambulance

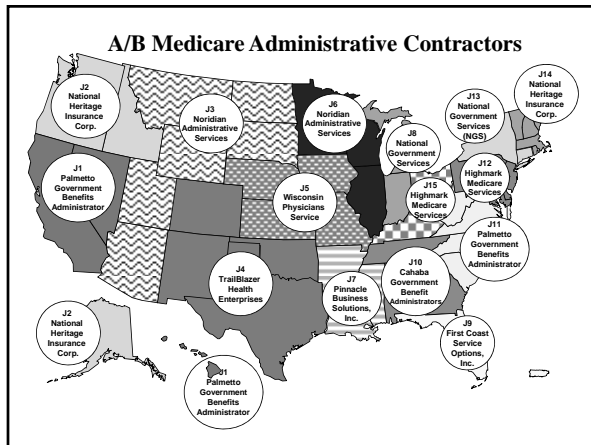
- CMS is soliciting public comments regarding whether an ambulance service owned and operated by a CAH, and eligible to receive reasonable cost-based payment, should be required to meet the provider-based status rules

Rural Health Clinics

- Proposed Rule comment period closed
- Now what?
- Shortage of funds for surveys
- AAAASF applying to become an accrediting organization for RHCs (contact Jeff Percy at 262-424-0950) or NARHC Summer Institute June 3 in Las Vegas, NV

AB MAC Implementation All Contracts Awarded

- The last 5 MAC contractors were selected and announced on January 7, 2009, completing the process that began in July 2006 to award Medicare Administrative Contractor contracts for states grouped by geographic areas for all Part A and Part B services.
- Several are under protest at this time so we are unsure what will be the final outcome for J2, J6, J7 and J8 jurisdictions.



MAC Transitions

- Riverbend to Cahaba (J10) will affect 156 RHCs in California
- Cutover date 8/3/09
- www.cahabagba.com
- Listserv, local coverage determinations, electronic funds transfer agreements, electronic data interchange trading partner agreement, ensure claims vendor is aware

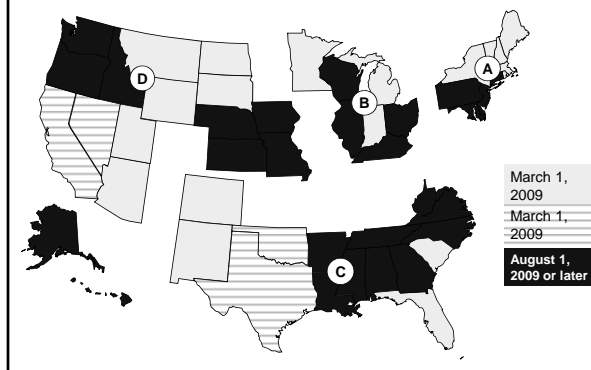
MAC Transitions

- When MACs are implemented, newly enrolling providers will be assigned to the MAC for their state, not to the old legacy contractor
- Existing providers that were assigned to specialty contractors in the past (e.g., RHC, FQHC), will remain out of the new MAC jurisdiction until CMS begins the migration process in several years.

Recovery Audit Contractors

- RAC Demonstration program created by the MMA of 2003, made permanent in the Tax Relief and Healthcare Act of 2007
- Designed to find and correct improper overpayments and underpayments paid to Medicare providers and suppliers
- Statutory authority to pay on contingency fee basis

RAC Phase In Schedule



Recovery Audit Contractors

- Outreach is ongoing
- Region C (OK and NM) Connolly Consulting of Wilton, CN
- Region D (CA, AZ, NV) HealthDataInsights, Inc. of Las Vegas, NV

RAC Resources

- www.cms.hhs.gov/RAC
- E-mail inquiries: RAC@cms.hhs.gov

Issues and vulnerabilities will be posted to web site

DMEPOS

- Accreditation required by 10/1/09 or billing privileges revoked
- Some exceptions – contact National Supplier Clearinghouse 1-866-238-9652
- Medlearn Matters Article SE0903, revised 3/19/09

DMEPOS

- Surety bond requirement published in Federal Register 1/2/09
- Submit copy to National Supplier Clearinghouse by 10/2/09 or billing privileges will be revoked
- Some exceptions
- CMS Internet Only Manuals Publication 100-08, Chapter 10, Section 21.7
- Medlearn Matters Article MM6392, 4/6/09

DMEPOS

- DME Competitive Bidding delayed by Congress
- Interim Final Rule published January 16, 2009
- Restarting the roll out later this year

Medicare Enrollment Changes

- Part B individuals and groups or organizations can apply via the internet PECOS system now, faster (does not apply to Part A providers yet)

Medicare Enrollment Changes

- CY 2009 Physician Fee Schedule Rule establishes an effective date of billing for physicians, non-physician practitioners and their organizations as the later of
1) the filing date of an enrollment application that is subsequently approved or
2) the date an enrolled physician/NPP first started furnishing services at a new practice location

Medicare Enrollment Changes

- CY 2009 Physician Fee Schedule Rule permits physicians and non-physician practitioners to retrospectively bill for services rendered up to 30 days prior to the effective date, if they met all program requirements at that time (or up to 90 days prior when there is a Presidentially-declared disaster)
- No longer unlimited retroactive billing

HPSA/PSA Bonus Changes

- Physician Scarcity Bonus expired with MIPPA 2008, on July 1, 2009
- HPSA Bonus Payments – if changes are made to the designation during the year, whatever the status is as of 12/31 of the year governs what is eligible for the entire following year (e.g., newly eligible HPSA determined on June 1, 2009 will not be eligible for HPSA bonus payments until January 1, 2010)

QIO 9th Scope of Work

- Additional funding is being made available for 40 of 53 QIOs to include additional rural facilities (OK and NM were included)
- QIOs that submit acceptable proposals for new funding will expand work to include additional rural providers (hospitals/CAHs and/or nursing homes)

QIO 9th Scope of Work

- Two Patient Safety Theme components to be expanded are
 - 1) Physical Restraints in Nursing Homes and
 - 2) Pressure Ulcers in Nursing Homes and Hospitals

Proposals under review, decisions likely early summer, 9th SOW ends July 2011

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