July – August 2009

# NCDS update

A Billing Industry Newsletter for Clients

Keeping your office up-to-date on industry and insurance changes, late-breaking billing & reimbursement news, and general inter-office communication…

## Health Care Reform: How? What? and Why?

BY: MICK POLO, NCDS

We are all watching, reading and wondering what Congress and President Obama will make of the health care system. It is the largest domestic push to pass an initiative that we have seen since the creation of Medicare by President Lyndon B. Johnson in 1965. Right now we do not have a foreseeable conclusion but we are carefully following both the short-term and long-term changes being debated.

In the near-term a -21.5% reduction in the Medicare Physician Fee Schedule for CY 2010 is set to take place January 1st unless Congress acts to fix the sustainable growth rate formula used to calculate reimbursement. Each year for the past several years they have made last minute changes to offset the decline and even offer a moderate gain but all the activity on Capitol Hill regarding the general restructuring of the health care system is now overshadowing this event. NCDS is following it closely. We will keep you informed of any updates and what impact these fee changes will have on your practice. Look for a preview of the 2010 fee schedule by CPT code in mid November.

The longer-term outlook and impact of the greater health care reform is changing not daily but hourly. It is impossible to predict the outcome and barely possible to keep up with the developments. We receive regular communication from our lobbying representatives in Washington, DC with Capitol Associates and through the HBMA Government Relations Committee and feel it important to stay informed but also that we must not inundate ourselves with information until there is some concrete legislation we can review to make smart business decisions (see the *"ACTION > gram"* on Page 2).

We all have our political and personal viewpoints on the issues at hand as well has how this impacts us as individual citizens, consumers of health care, business owners, taxpayers, and health care providers. It is important to be aware of what changes we may be facing. In addition to the many newspapers and websites with health care reform articles, other more direct sources for information as we wait for the August recess to conclude are:

CMS links to HealthReform.gov **www.healthreform.gov** giving the government's viewpoint on the issues and WhiteHouse.gov **www.whitehouse.gov/issues/health_care** provides more specifically the President's perspective on healthcare.

The American Medical Association **www.ama-assn.org/amednews** regularly publishes articles and opinions on the proposed industry changes to provide a collegial viewpoint.

At **www.house.gov/house/MemberWWW_by_State.shtml** you can look up your US House of Representatives member by locality and at **www.senate.gov/general/contact_information/senators_cfm.cfm** you can find your US Senators to learn their stance on the health care bills being debated.

## Time to Wave the White Flag on the Red Flags Rule? Just before the Red Flags Rule was scheduled to take affect it was delayed yet again…

FROM THE FEDERAL TRADE COMMISSION NEWS RELEASE 7/29/2009

### FTC Announces Expanded Business Education Campaign on 'Red Flags' Rule

To assist small businesses and other entities, the Federal Trade Commission staff will redouble its efforts to educate them about compliance with the "Red Flags" Rule and ease compliance by providing additional resources and guidance to clarify whether businesses are covered by the Rule and what they must do to comply. To give creditors and financial institutions more time to review this guidance and develop and implement written Identity Theft Prevention Programs, the FTC will further delay enforcement of the Rule until November 1, 2009.

The Red Flags Rule is an anti-fraud regulation, to read the complete announcement go to **www.ftc.gov/opa/2009/07/redflag.shtm** and also refer to the FTC's Red Flags Web site, **www.ftc.gov/redflagsrule** for more information about covered entities and compliance.

## Watch for NCDS Client Advisories with Essential Instructions and Late Breaking News

NCDS **Client Advisory**

Date: Today

To: All Clients
Attn: Office Staff & Providers
Matter: IMPORTANT INFORMATION

**We have all seen them, but what do we really need to do?** Please do not ignore this critical communication from NCDS! We appreciate your time and will only inform you of pertinent issues which you need to attend to immediately.

First, forward this to the Attention of the proper person in your office to whom it is addressed. Second, read the announcement. Third, follow up accordingly or contact the NCDS representative listed for more details or help with your questions. It's that fast and easy!

If you prefer to receive these notices by email please send your request to Mike Polo, Operations Manager, **mikep@ncdsinc.com** and we will begin sending these notices electronically.

Thank you for your cooperation and attentiveness to these notices. They are a key in working with you to improve administrative efficiency, billing practices and accounts receivable collections.

## *T-Line upgrade on July 28th provides faster access to NCDS website and Facetwin users…*

This essential system enhancement will allow both you and your patients to more quickly navigate through all of the NCDS software. The successful transition from a T1 to T3 line took significant planning but less than 5 minutes total down time to convert. It provided no interruption to normal business but is now able to supply more than three times the bandwidth, speed and performance to our Internet connection.

Clients needing technical support related to our web or terminal systems should call NCDS at 888-876-8833, select option 2 and our information technology service staff will be glad to assist you.

## MICHIGAN MEDICAID EVS & AVRS FEE

Effective immediately, the Michigan Department of Community Health (MDCH) will no longer fund the fees for the Automated Voice Response System (AVRS): 1-888-696-3510. Providers can continue to use this system to verify eligibility but will be obligated to pay a fee.

msa MEDICAL SERVICES ADMINISTRATION Bulletin
Michigan Department of Community Health

Providers can continue to verify eligibility free of charge using web-DENIS. For additional information, refer to the MDCH website at **www.michigan.gov/medicaidproviders**.

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Inaccurate, invalid or falsified insurance information is the #1 denial and reason for unpaid claims in your practice. Be sure to check insurance information and eligibility.

## HEALTHCARE REFORM UPDATE

FROM HBMA WEEKLY DIGEST - AUGUST 4, 2009

ACTION gram

The Senate has announced that they will be unable to take any action on Healthcare Reform (HCR) prior next Friday's start of the scheduled August recess. There had been some hope or expectation that the Senate Finance Committee would hold their mark-up prior to next Friday but the Leadership announced this morning that it will not happen.

The House Energy and Commerce Committee is expected to complete its action on Healthcare Reform later today. This will complete the House Committee process. The Ways & Means and Education & Labor Committees had previously passed their portions of the bill. Problems with the conservative/moderate Democrats (aka Blue Dogs) caused a lengthy delay in the E & C Committee mark-up. A series of behind-the-scenes compromises appears to have allowed the E & C Committee to secure enough votes to pass the bill.

HBMA Healthcare BILLING & MANAGEMENT Association

Over the August recess, the House leadership will seek to blend the 3 various Committee packages into a single bill for full House consideration in the Fall. This will NOT be an easy task as there are several potential areas of conflict and as we saw with the E & C Committee negotiations any movement to address concerns by one ideological group within the Democratic Caucus runs the risk of alienating another.

*Bill Finerfrock, HBMA Legislative Consultant*

## HOW ARE HOSPITALS WEATHERING THE ECONOMIC STORM?

FROM HEALTHCARE FINANCE NEWS

The Noblis survey follows the April release of an American Hospital Association survey of 1,078 hospitals that confirmed the economy is taking a toll on hospital finance. The AHA survey found six out of 10 hospitals have seen an increase in emergency room patients without insurance – while nearly half of all hospitals have cut staff.

Richard Umbdenstock AHA president and CEO, said U.S. hospitals are struggling with the new economic climate.

"Hospitals are walking a tightrope, trying to balance the growing needs of their communities with today's economic challenges," said Umbdenstock.

*HFN QUOTABLE:* "Hospitals are among the largest users, in terms of volume and dollars, of tax-exempt financing. However, their ability to enter the market for new capital or refinancing of existing debts has been severely constrained since the beginning of the current financial crisis." – *Rick Pollack, executive vice president, American Hospital Association, Washington, D.C.*

*COMMENTS: Hospital finances are declining…* "Volume declines will contribute to increases in bad debt and charity care, continued declines in access to capital will limit technology and efficiency improvements, and retirements will continue once the economy improves, straining resources and pushing salaries and benefits upward." – *David Oppenlander, St. Luke's Hospital, Maumee, Ohio*

"Fewer people will be seeking medical care due to the loss of insurance benefits or loss of employment. They will wait until they are critically ill and care will be more costly. They won't have a way to pay and the hospitals will be forced to cover the costs. It's a vicious cycle." – *Anonymous*

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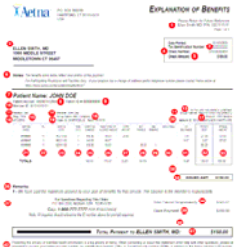
Pay close attention to the local healthcare market and others in business around you. Be aware of all the opportunities and threats that can influence your practice.

## *Aetna EOBs Online for Large Volume Providers*



Effective June 15, 2009, Aetna no longer mails paper EOBs with remittance checks for providers with more than $10,000 in Aetna claim volume per month. Instead, these providers may view and print eEOBs via Aetna's secure provider website. Along with electronic remittance advice statements (ERAs) that are also on the website, these documents can be used to conveniently reconcile patient accounts.

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NCDS will need you to update your ERA information on file to properly transition to this new program. If you have not already, you will soon be receiving an Aetna enrollment form that must be signed and returned to NCDS as soon as possible to avoid any missing payment information and interruption in receiving your EOBs. Thank you in advance for your cooperation and prompt attention.

Please contact Mike Polo, Operations Manager, with any questions by calling 888-876-8833 x20 or emailing **mikep@ncdsinc.com**.