



Snohomish County Medical Society

Update: December 2008

CMS issues draconian Medicare enrollment changes

The final 2009 Medicare physician fee schedule includes a number of changes that will have a detrimental effect on medical practices and practitioners' ability to enroll in the Medicare program. Most significantly, beginning on Jan. 1, the Centers for Medicare & Medicaid Services (CMS) will limit the ability of practices to retroactively bill for services provided to Medicare patients by defining the effective date for billing privileges for practitioners and medical practices as the later of:

- The filing date of a Medicare enrollment application that was subsequently approved by a Medicare contractor; or
- The date an enrolled physician or non-physician practitioner began furnishing services at a new practice location.

CMS has provided for limited circumstances in which medical practices and practitioners will be able to retroactively bill for services provided prior to the effective date.

To further complicate the enrollment situation, the agency will now instruct contractors to deny applications that are not completed correctly instead of rejecting them. Denied applications can only be reopened if they are appealed. Practices and practitioners have a limited time in which they can file an appeal. Denial notices from Medicare contractors should clearly indicate this time limitation and appeal requirements.

FTC delays enforcement of "red flags" rule

As a result of advocacy efforts by MGMA many medical professional organizations, the Federal Trade Commission (FTC) has announced its decision to delay enforcement of the "red flags" rule until May 1, 2009. Under the original rule, "creditors" would have been required to implement an identity-theft program by Nov. 1, 2008 to detect and respond to patterns, practices or specific activities - known as "red flags" - that could indicate identity theft.

In delaying enforcement of the rule, the FTC cited confusion and uncertainty in many industries as to whether the rule applied. On Oct. 1, the FTC made its first official statement indicating that it intended to apply the rule to medical practices that qualify as "creditors." It also announced that it was developing a template for a program that would comply with this rule.

We will keep you informed as clarification and guidance becomes available.

CMS to release specifics on qualifying for e-prescribing bonuses

The Centers for Medicare & Medicaid Services (CMS) will soon release details on how eligible medical groups can qualify for bonuses from electronic prescribing

in the forthcoming 2009 Medicare Physician Fee Schedule. Practices that meet the e-prescribing criteria can earn a 2 percent bonus of the allowed Part B charges in 2009 and 2010, a 1 percent bonus in 2011 and 2012 and a 0.5 percent bonus in 2013.

Medical practices not e-prescribing will face a 1 percent cut in 2012 and 2013. That cut will grow to 2 percent in 2014 and beyond. Although e-prescribing will no longer be an eligible measure under the Physician Quality Reporting Initiative (PQRI) after 2008, CMS will permit practices to receive separate bonuses from both the e-prescribing program and the PQRI --- to a maximum 4 percent award.

2009 RAC medical record limits

The Centers for Medicare & Medicaid Services (CMS) recently announced the number of medical records the permanent Recovery Audit Contractors (RACs) may request per National Provider Identifier (NPI) for 2009. CMS indicated these limits will be adjusted each year.

For Part B providers, the 2009 limits are:

- 10 medical records per 45-day period for solo practitioners;
- 20 medical records per 45-day period for two- to five-provider offices;
- 30 medical records per 45-day period for groups of six to 15 providers; and
- 50 medical records per 45-day period for groups of 16 or more providers.

For Part A claims, the 2009 maximum number of records the RACs may demand varies by the hospital's NPI and will equal 10 percent of their average monthly Medicare claims. The RACs cannot request more than 200 records in a 45-day period for both inpatient and outpatient claims combined.

[View the RAC expansion schedule.](#)

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