

**MOA MEMBERS
FROM SUE A. WEINGARTNER, EXECUTIVE DIRECTOR
JULY 21, 2008**

AOA Washington Office Medicare Claims Recommendation

Doctors should submit claims and follow carrier guidance to ensure full payment for services provided since July 1. CMS and Medicare contractors should post the revised fee schedule very soon but the agency warned that it may take 10 days to implement the new rates. Contractors intend to automatically reprocess claims that were paid at the lower rate since July 1. (Optometrists who submitted claims for services provided since July 1 with submitted charges that were not as high as the fee schedule rate in effect for the first half of the year should seek information from their contractor for additional directions.) Nonparticipating physicians who submitted unassigned claims at the reduced amount after July 1 will need to request an adjustment by their contractors. CMS will also issue guidance on collecting correct coinsurance amounts from patients.

Summary of Key Provisions of the Medicare Patients and Providers Improvements Act

- *Eliminates the 10.6 percent cut that occurred July 1st in the Medicare physician fee schedule. As a result, the single conversion factor will be \$38.0870 for the remainder of 2008. Congress also approved funding to stop a 5 percent cut that would have occurred January 1, 2009, and has mandated a 1.1 percent increase for the 2009 update. **This physician payment “fix” will increase Medicare reimbursement to optometrists by approximately \$160 million over the next 18 months.** In addition, third party payer fee schedules that are tied to Medicare rates should rise accordingly.*
- *Authorizes a 2.0 percent bonus payment for reporting quality measures in 2009 and 2010. Medicare is paying a 1.5 percent bonus for reporting in 2007 and 2008. The bonus is calculated based on the physician’s entire Part B reimbursement for the year. AOA encourages members take advantage of this opportunity. The law also requires CMS to publicize the names of doctors and practices that are participating in the Physician Quality Reporting Initiative.*
- *Exempts physicians from DMEPOS accreditation until CMS creates standards designed specifically for physicians and also gives CMS the authority to exempt physicians permanently from DMEPOS accreditation. The bill also revised a section of the law to allow optometrists to perform face-to-face examinations of Medicare beneficiaries, if required, for prescribing DMEPOS. These provisions are effective June 30, 2008 and more information about the DMEPOS changes will be provided when it is released by CMS. Also, in order to achieve a final resolution, the AOA – both independently and through a coalition of physician organizations – is urging CMS to use its new authority to exempt optometrists and other physicians from accreditation due to licensure, education, and training.*
- *Authorizes an additional 2 percent bonus in 2009 and 2010 for physicians on all Medicare claims if they successfully use e-prescribing. The bonus is phased out by 2014, and CMS will begin penalizing doctors who don’t e-prescribe by 2012.*

- *Reforms the Medicare Advantage private-fee-for-service plans to require them to have adequate networks with contracted physicians. This prevents such an MA plan from “deeming” a doctor to accept all of the plan’s terms and conditions when the doctor treats a single beneficiary in such a plan.*
- *Reduces bonus payments to private Medicare Advantage, totaling \$12.5 billion over five years.*
- *Continues a provision that had been in effect for several years preventing CMS from reducing Medicare payments in lower-cost geographic areas.*
- *Extends Medicare coverage of as-yet-undetermined preventive services.*

Analysis of Key Sections of the Medicare Patients and Providers Improvements Act

Section 101 – Improvements to coverage of preventive services

Section 1861 of the SSA (42 USC 1395x)

This section expands Medicare benefits to include “additional preventive services” recommended with a grade of A or B by the U.S. Preventive Services Task Force. The AOA Washington Office believes that the national coverage determination process would be used to decide which recommendations become actual benefits.

Section 131 – Physician Payment, Efficiency, and Quality Improvements

Section 1848(g) of the SSA (42 USC 1395w-4(d)(8))

This crucial provision overrides the 10.6 percent cut in the physician fee schedule single conversion factor that occurred July 1 and maintains the conversion factor of \$38.0870 for the remainder of 2008. It also prevents further cuts that would occur January 1, 2009 with a 1.1 percent update. Congress also mandated a 2.0 percent bonus payment for quality reporting in 2009 and 2010 under the Physician Quality Reporting Initiative (PQRI). The bonus was 1.5 percent in 2007 and 2008, and 0 percent subsequently without Congressional action. The legislation will result in some changes to the measure development process that AOA is reviewing in order to ensure that optometry continues to be fully recognized and involved.

Congress requires CMS to report the names of doctors and practices that are reporting measures and to establish a physician feedback program regarding episode resource measurement. AOA encourages ODs to participate fully.

Section 132 – Incentives for Electronic Prescribing

Section 1848(m) of the SSA

Congress has directed CMS to establish a 2 percent bonus for e-prescribing in 2009 and 2010, a 1 percent bonus in 2011 and 2012, and a 0.5 percent bonus in 2013. Doctors who do not prescribe much will not be eligible for the bonus. Beginning in 2012, CMS will pay lower rates to doctors who are not successfully e-prescribing by paying 99 percent of the fee schedule amount in 2012, 98.5 percent in 2013, and 98 percent in 2014. GAO is to issue a report on e-prescribing.

Section 134 – Extension of the Floor on Medicare Work Geographic Adjustment under the Medicare Physician Fee Schedule

Section 1848(e)(1)(E) of the SSA (42 USC 1395w-4(e)(1)(E)) and Section 1848(e)(1)(G) of the SSA (42 USC 1395w-4(e)(1)(G))

The 1.0 floor in work GPCIs that expired July 1 has been reinstated through the end of 2010. In Alaska, the work GPCI floor will be 1.5 (1.67 previously) beginning in 2009.

Section 154 – Delay in and Reform of Medicare DMEPOS Competitive Acquisition Program

Congress delays DME competitive bidding and makes adjustments to the DME fee schedule. More importantly, Congress prevents CMS from applying DMEPOS accreditation requirements to physicians until CMS develops physician-specific accreditation standards. Congress also gives CMS to authority to exempt physicians from accreditation. There is a helpful physician definition change (from 1861(r)(1) to 1861(r)), fully recognizing optometrists, concerning a face-to-face examination for prescribing certain DMEPOS.

Section 162 – Revisions to Requirements for Medicare Advantage Private Fee-For-Service Plans

Section 1852(d) of the SSA (42 USC 1394w-22(d))

Congress requires private fee-for-service plans to establish provider networks. It also forces these particular MA plans to have contracts with doctors so that physicians are not “deemed” to accept the plan’s terms and conditions merely by treating the patient covered by such a plan. The law also requires such plans to have “a sufficient number and range of providers” to meet network adequacy requirements. Unfortunately, it specifically allows plans to pay different providers at different rates.

Jon Hymes

Washington Office Director

AMERICAN OPTOMETRIC ASSOCIATION