

Dateline Washington

prepared by the Division of Advocacy and Health Policy

CMS eliminates coding grace period

Over the next few months, Medicare providers will no longer have a 90-day grace period to convert to the new Current Procedural Terminology (CPT), Healthcare Common Procedure Coding System (HCPCS), and ICD-9-CM codes. Use of discontinued codes will result in nonpayment. This policy is the result of Medicare's efforts to enforce a standard set forth in the Health Insurance Portability and Accountability Act (HIPAA), which requires providers to report codes that are valid when the service is rendered. The annual effective dates are October 1 for ICD-9-CM codes and January 1 for CPT/HCPCS codes.

CMS proposes policy on emergency services

The Centers for Medicare & Medicaid Services (CMS) called for comments on a proposed implementation plan to pay for emergency services furnished by physicians, hospitals, and ambulance services to undocumented aliens. The most controversial aspect of the plan would require immigrants to indicate their citizenship status. Advocates for undocumented aliens are asking CMS to revise the proposal, arguing that the current plan would cause these individuals to forego needed medical care for fear of deportation.

In comments submitted August 16, the College favored using the information that the hospital already gathers during the financial screening process as an indicator of citizenship status. The College also favored CMS's approach to paying for emergency care and any related inpatient care and suggested that funding for these services not be used for unrelated care.

Finally, the legislation provided hospitals with the option of receiving payment for both the hospital and physician services, reimbursing the physicians for their services, or allowing payments to go separately to the hospital and the physician. Surgeons will urge their hospitals to allow payments to go directly to physicians. These provisions were included in the Medicare Prescription Drug, Improvement, and Modernization Act (MPDIMA). Most of the money will be spent in Arizona, California, Illinois, New York, and Texas.

Medicare announces 2005 premium and deductibles

The Department of Health and Human Services (HHS) recently announced increases in Medicare beneficiaries' premiums, deductibles, and copayments. For Medicare Part A, which pays for inpatient, skilled nursing, and some home health care services, the inpatient hospital deductible will be \$912 in 2005. This amount is an increase of \$36 from 2004's \$876 deductible, which is the only cost patients pay for up to 60 days of care. The annual Part B premium, which covers physician services, outpatient hospital care, and some home health services, as well as durable medical equipment, will be \$78.20, an \$11.60 increase from the 2004 cost of \$66.60. The MPDIMA requires raising the Part B deductible to \$110 in 2005 and indexing it thereafter based on the average cost of Part B services for the aged.

HHS claims that several factors have contributed to these price increases:

- Higher payments for services provided under Medicare's tradi-

tional plan, including a 1.5 percent increase in physician reimbursement.

- Improvements in both the traditional and the Medicare Advantage (Part C) program, which will provide additional benefits, including prescription drug coverage, more preventive care, and dental and vision coverage. In addition, the new preventive benefits provided under the Act will cover the cost of a “Welcome to Medicare” physical, as well as screening for heart disease and diabetes.

- A need to increase the reserves held in the Part B account in the Medicare Supplementary Medical Insurance Trust Fund.

NIH offers student loan repayment

The National Institutes of Health offers a series of loan repayment programs for participants with doctoral degrees who devote 50 percent or more of their time to research funded by not-for-profit organizations or government entities. To qualify, individuals also must have educational loan debt that is equal to or greater than 20 percent of their base salary. Loan repayments are available for research in the following areas: clinical care, services for individuals from disadvantaged backgrounds, contraception and infertility, health disparities, and pediatric care. Applications for the awards are due December 15 and are available by visiting www.lrp.nih.gov.

Dr. McGinnis appointed to NQF panel

LaMar S. McGinnis, Jr., MD, FACS, Vice-Chair of the College’s Health Policy Steering Committee, has been appointed to the National Quality Forum’s Cancer Data and Methods panel. The group is charged with developing criteria for the types of data that the NQF cancer panels should use to formulate quality of cancer care measures that will be available for clinicians and consumers.

American hospitals reporting quality data

The American Hospital Association, the Federation of American Hospitals, the American Association of Medical Colleges, and the CMS have partnered to develop a Hospital Quality Initiative. The program is intended to improve the quality of hospital care across the nation and to provide consumer and clinical performance information on 10 standards of care for the treatment of heart attack, heart failure, and pneumonia. The MPDIMA provided a financial incentive for hospitals to report quality data by linking it to payments they will receive for treating Medicare beneficiaries. While voluntary, those inpatient hospitals that fail to report will receive a 0.4 percent reduction in their annual Medicare fee schedule update. More than 98 percent of the 3,906 eligible hospitals have met all of CMS’s quality reporting requirements and will receive full payment from Medicare in 2005. Hospitals are tracking key steps in what clinicians feel is appropriate care.

By 2005, CMS plans to make this quality information available to consumers through its Web site, www.cms.hhs.gov, or by calling 1-800/MEDICARE.