

Socioeconomic tips

Getting ready for Medicare's new quality reporting program

by the Division of Advocacy and Health Policy

On December 20, 2006, President Bush signed legislation that provided for additional Medicare payment to physicians who voluntarily report quality information in the last half of 2007. As a result, the opportunities for surgeons to provide quality information will change fairly dramatically. Hence, this article describes how the program will work and how it will affect office workflow. Please note, however, that the Centers for Medicare & Medicaid Service (CMS) has yet to release final instructions regarding this program, so some information in the article is preliminary and may change.

The Physician Quality Reporting Initiative (PQRI) will work as follows:

- The physician reports on quality measures for procedures performed during the period from July 1 through December 31, 2007. The College developed quality measures that most surgeons can use, and some surgical specialties will have additional procedure-specific measures.

- The physician reports the clinical quality information on the same claim as the procedure itself using five-digit, alpha-numeric codes to report quality measures as though they were procedure codes.

- A bonus payment of up to 1.5 percent of the physician's allowed charges for all services performed during that same six-month period will be made. The payment for 2007, which will be made sometime after March 1, 2008, will be a single, consolidated payment for all physicians covered by a taxpayer identification number.

Quality measures

Physicians will be able to report on 74 measures. The final list of measures is posted on the CMS Web site at www.cms.hhs.gov/PQRI. Well before July 1, this posting will include a description of the measure and instructions for reporting, including the applicable codes from Current Procedural Terminology (CPT)* and diagnosis codes from

Around the corner

April 2007

Economedix will hold two teleconferences this month. The first, on April 11, is Effective Governance and Management of Your Practice. The second, on April 25, is ICD-9 Diagnosis Coding for Physicians and Surgeons. For more information and to register, go to <http://yourmedpractice.com/ACS/>.

May 2007

- Economedix will hold two teleconferences this month. The first, on May 9, is Benchmarking Practice Productivity and Profitability. The second, on May 23, is Appealing Third-Party Insurance Claims. For more information and to register, go to <http://yourmedpractice.com/ACS/>.

- ACS-sponsored basic and advanced coding workshops for surgeons will be held May 3-4 in Baltimore, MD. To register, visit the ACS coding workshop Web page at <http://www.facs.org/ahp/workshops/index.html>, or call Stephanie Flynn at 312/202-5244.

the *International Classification of Diseases, Ninth Revision, Clinical Modification* (ICD-9-CM) to which the measures apply. Although no changes can be made in the basic quality measures, minor refinements, such as changes in the codes, may be made until the beginning of the reporting period on July 1.

Most surgeons will be able to report on selection of antibiotic prophylaxis, timing of the start of antibiotic prophylaxis, timing of the discontinuation of antibiotic prophylaxis, and whether venous thromboembolism prophylaxis occurred. Those measures may be used for approximately 400 procedures. As noted previously, some surgical

*All specific references to CPT (Current Procedural Terminology) terminology and phraseology are © 2006 American Medical Association. All rights reserved.

specialists may use other measures. For example, ophthalmologists may use measures related to cataracts and diabetic retinopathy, and neurologists may apply consideration of rehabilitation services in cases of stroke.

The surgeon selects the quality measures on which he or she wishes to report. However, the reporting must meet certain criteria to qualify for the bonus. If one, two, or three measures are selected, the surgeon's reporting is considered satisfactory if each measure is reported 80 percent of the time. If more than three measures are selected, the surgeon must report on three of the measures 80 percent of the time. If the surgeon does not meet whichever 80 percent rule applies, he or she is ineligible for the bonus payment.

Reporting quality information

CMS is making it very clear that it expects quality information to be reported on the claim when the substantive procedure code is presented for payment. It does not want to process two claims—one for payment and another to report quality information.

CMS is still working out the details of what information in addition to the five digit "procedure" code is to be reported on the same line item. It is very clear, though, that if any money amount is shown for the quality information, it is to be zero.

CPT codes will exist for the quality measures developed by the College. Those codes will be added to CPT July 1 and may be referenced on the Web sites of the American Medical Association and CMS. Note that if the quality measure is not given because of the patient's condition, a modifier is used.

Although the purpose of this new program is to begin to gather *reported* quality information, CMS is going to issue confidential reports to physicians telling them how they are doing in comparison with their peers. CMS sees this as a first step toward public reporting of quality information, although Congress must act to change the law before that can actually happen.

The bonus payment

For 2007, the bonus payment is made to the tax identification number. Surgeons should check the appropriate documents for their practice to be sure they are clear about how any further redis-

tribution will be made. (The statute gives CMS considerably more flexibility in identifying billing units in future years.)

There is a cap on the amount that can be paid as a bonus, which is intended to limit the payment a physician with a low volume of performance measure gets. Unfortunately, this cap cannot be calculated in advance for 2007.

To report or not

For surgeons, the workflow changes are substantial because they have to remember a large number of CPT codes to which a given measure applies. Furthermore, in many instances, the quality measure is documented in the hospital's chart but the claim is prepared in the surgeon's office. Surgeons and their staffs must come up with some methods of tracking additional pieces of data.

Now is the time for surgeons to begin thinking about whether to take part in this voluntary program and, if so, what work flow changes they will have to make. Because of the 80 percent rule for satisfactory reporting, practices need to be ready to report the quality measures effective with surgeries performed on July 1. (Even the practices that are very good at reporting quality information will miss a few quality measures.) Factors to consider in making a decision about taking part in the program include the frequency of reporting quality information, the size and cost of workflow changes, the value of the feedback that CMS is planning to give, and how much a bonus payment will be.

The College is planning to make a variety of training media available to both surgeons and their office staff, including a feature article in the June issue of the *Bulletin*. However, we will not be able to cover the PQRI in any depth in the College's coding workshops because most of them are given after July 1. □