



BULLSEYE



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Hefty Health Spending in Stimulus Bill

The economic stimulus bill signed by President Obama contains more than \$140 billion in health care spending, designed mostly to ease the recession's effects on workers and also to boost long-held goals of improving the nation's health information infrastructure.

Most of the money is targeted to programs providing health coverage to low-income families or that help workers keep private coverage if they lose their jobs. But the new law also provides billions of dollars for medical research and incentives for doctors and hospitals to buy and use electronic medical records systems.

It also, for the first time, directly commits federal dollars to studies comparing medical treatments head-to-head in the hopes of finding out which ones work best or are the most cost-effective.

The key health care provisions of the American Recovery and Reinvestment Act of 2009 include:

Medicaid

More than 50 million Americans get medical care through Medicaid, but state governments say they may be

forced to cut back on coverage to make up budget shortfalls. The bill increases federal payments by \$87 billion to prevent those cuts, and also penalizes states if they do cut benefits while the extra money is available.

Private Insurance

A federal law called COBRA guarantees workers can keep their private health insurance if they lose their jobs. But those workers have to pay the full premiums themselves. The bill spends \$25 billion to cover 65% of the premium costs for lower-income workers.

"It will not achieve any structural reform in the system but it will help a lot of people in the near term," says Len Nichols, who directs the health policy program at the New American Foundation.

Health IT

Doctors, hospitals, and health insurers have been slow to acquire electronic prescribing and computerized medical records systems. The systems are expensive and many medical practices fear that any system they buy won't be able to communicate with other systems on the market, says Henry

Aaron, a senior fellow at the Brookings Institution.

The recovery bill commits \$19 billion in grants and incentives for companies and practices to buy health information technology. Aaron says the money isn't a short-term economic stimulus, but instead a "down payment" on an effort to improve efficiency and quality in the health system.

"They do hold out the promise of producing very real long-term benefits -- and I emphasize long-term benefits -- in the health care system," he says.

Medical Research

The bill includes \$10 billion to increase the research budget of the National Institutes of Health (NIH). The Senate originally boosted that spending by \$6.5 billion, but the figure was moved higher in negotiations with the House. That's on top of the agency's \$29 billion budget, which remained flat last year.

Medical and research groups praised the extra funding. "This bill will reverse years of flat research funding, create economic growth, and allow doctors and researchers to accelerate progress against cancer and other diseases," Richard L. Schilsky, MD, president of

The Bottom Line – Only time will tell.

What is of certainty is that change in the current US health care system is inevitable with the numbers of unemployed US citizens continuing to rise. – By Muffy Kneese, JD Director of Client Services



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the American Society of Clinical Oncologists, says in a statement.

Comparative Effectiveness

Many policy experts are calling for more studies pitting different **drugs**, treatments, or care regimens directly against each other. The hope is that the studies will tell policy makers, doctors, and insurance companies which treatments actually work best and which are the most cost-effective.

Both parties have called for the research, and the bill devotes \$1.1 billion to comparative-effectiveness studies at NIH and other agencies.

James Weinstein, MD, a comparative-effectiveness researcher at the Dartmouth Institute for Health Policy and Clinical Practice, says the health system is full of examples of more expensive treatments that may not necessarily be better. One example is thiazide diuretics, which research suggests are

just as effective as more expensive calcium are just as effective as more expensive calcium channel blockers at lowering blood pressure, preventing **heart attacks**, and avoiding hospitalizations.

"And if the drug was the same, shouldn't the nation think about using the drug that's just as good for a third the price?" he tells WebMD.

The inclusion of the money in the stimulus package angered some Republicans, who argued that the new law opens the door for government or private insurers to refuse payment for certain kinds of care based on the studies. That could lead to rationing of medical care if the government takes a bigger role in national health policy as part of reform efforts.

Billions of dollars could be at stake if one drug or treatment is found to be more cost-effective than another, Aaron says. He called the studies potential "political dynamite."

By Todd Zwillich • WebMD Health News

Nearly everyone bemoaned the "sweeteners" that were part of the \$700 billion financial bailout passed by Congress in October. But one unexpected - and uncovered - surprise was that the plan included the passing of the Mental Health Parity and Addiction Equity Act of 2008. Under this bill, employers who provide insurance coverage for the treatment of physical illnesses must now do so on an equal basis for mental-health coverage, beginning when plans renew after October 2009.

Extreme Challenges: How Obama should address health care

By Dr. Sanjay Gupta
CNN Chief Medical Correspondent

There is no doubt health care will be an extreme challenge, especially with the economy in the tank. A bigger challenge may be a perception one. To remind people the economy and health care reforms are truly linked. After all, we have the most expensive health system in the world, and Americans spend more on health care than housing or food. Here is a number to ponder. The United States spends nearly 500 billion more than peer nations on health care, and we don't get nearly enough for it.

As a doctor and a parent, I can't believe we have let ourselves get to this point. Too many people are uninsured, and even more have insurance that is simply inadequate. According to the American Cancer Society, 100,000 Americans will end up in bankruptcy because of a cancer diagnosis. Can you believe that? You are diagnosed with the most devastating medical illness of your lifetime only to be hit with the most devastating financial crisis you will suffer. Yes, the economy and health care are truly linked.

Last month, nearly half of all Americans surveyed reported skipping pills, postponing

or canceling medical appointments and generally cutting back on medical care simply due to cost. The uninsured who are injured or who developed a chronic illness were less likely to receive follow up care, which worsened the severity of their condition. So, here is another number: Roughly 22,000 people die each year due to lack of coverage. For sake of reference, the number of people who die annually from homicide in the United States is around 17,000. It would seem being uninsured is a different sort of homicide.

The next administration will be faced with extreme challenges and health care reform has to be front and center. As you may infer, you can't really fix the economy without addressing health care. Still, this reporter is optimistic we will see some changes over the next few years. Heck, the next administration might even deal with stem cells and obesity to boot.



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NEWS FLASH

Medicare has changed their rules for provider enrollment. The maximum you can back-date an enrollment application is 30 days. Any services rendered **PRIOR** to the 30 day limit will **NOT BE PAID**. It is critical that provider enrollment applications be submitted timely and completely.

Countless Americans have known it since 1985, when the federal government approved the Consolidated Omnibus Budget Reconciliation Act (COBRA) but either suffered in silence or their cries of foul play were ignored. Now, however, with the current economic meltdown hitting millions of Americans and commanding headlines around the globe, COBRA's nasty bite finally is being revealed. Lately, it's even made headlines, too.

The COBRA concept is that a worker who loses his or her job doesn't have to go without the employee-provided health insurance coverage that came with that lost job. COBRA says the worker can keep coverage for as long as 18 months after employment is terminated but the worker must foot the complete bill. When employed, the worker paid the worker's share of the health coverage bill and the employer paid the rest. Under COBRA, the now-jobless worker pays both the employer and employee shares of the coverage.

While the concept appears sound, the reality is pretty grim, so grim that Ron Pollack describes it as a "ruse." Pollack is executive director of Families USA, an advocacy group devoted to improved health care to all Americans, regardless of employment status.

Families USA says the average worker must devote as much as 30% of the average unemployment compensation check to enjoy healthcare privileges under the COBRA plan. When families are affected, COBRA eats up as much as 84% of that average unemployment check.

In one case cited by Families USA, a Minnesota woman pays \$1,200 each month for COBRA coverage for herself and her self-employed husband. Her monthly unemployment check is \$1,612.

Health care for the recently unemployed in Arizona doesn't come so easily. The average unemployment check in Arizona is \$937 per month and the monthly COBRA premium for family coverage is \$1,084.

Not every American who loses a job is eligible for unemployment benefits nor does he or she have another job to turn to in the immediate future. COBRA coverage is still available to these hapless individuals but it is often seen by them more as an impossibility than a staggering financial burden.

The Kaiser Family Foundation and Health Research and Educational Trust says 80% of America's workforce eligible for COBRA coverage doesn't take advantage of the program. Kaiser, Family USA, America's Health Insurance Plans, and other industry trade and consumer advocacy groups are urging President-elect Barack Obama's transition team to take into consideration the inadequacies of the COBRA plan but relief can't come fast enough for the millions of Americans discovering the precarious nature of life without ready access to medical care when it's needed. In the meantime, more and more Americans are left with no alternatives but to be careful, stay well, and hope for the best.



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On October 22, 2008 the Federal Trade Commission (“FTC”) announced that it will “suspend enforcement” of the “Red Flag” rules until May 1, 2009. The “Red Flag” rules, as discussed in previous HBMA communications and the recent HBMA Town Hall Meeting, require “financial institutions” and “creditors” with “covered accounts” to develop and implement a written program to detect and deal with identity theft.

The FTC’s decision to delay enforcement appears to have been the result of pressure from, among others, the American Medical Association and a consortium of other healthcare organizations. These organizations complained, quite reasonably, that they and their members had no prior reason to familiarize themselves with FTC rules to which they have historically not been subject. The FTC is not presently changing its position on the broad reach of the rule. “Creditors” are defined to include any service provider (such as the physician and other clients of HBMA members) that does not get paid at the time of service. A “covered account” includes any relationship which involves information, such as social security numbers, that is vulnerable to identity theft.

The Red Flag rules are important to HBMA members because billing companies will likely be “service providers” to their clients. (Of course, third party billing companies may be

directly covered by the Red Flag rules, given the breadth of the key definitions). “Service providers” are entities who provide services to a creditor in connection with one or more covered accounts. As part of a Red Flag program, the Rule requires creditors to exercise “appropriate and effective oversight” of service provider relationships. This will almost certainly follow the general HIPAA “business associate” paradigm that third party billing companies are already familiar with, and will likely require some new internal processes for third party billing companies.

Technically, this suspension of enforcement is not the same as a delay in implementation. However, the suspension was provided, according to the FTC announcement, specifically to give financial institutions and creditors “additional time in which to develop and implement written identity theft programs.” On its face, it appears that the suspension of enforcement will have, as a practical matter, the same effect as a formal delay in implementation.

This important delay will allow third party billing companies, as well as their clients, more time to respond the Red Flag rules and, perhaps, to obtain more detailed guidance as to how to do so from the FTC.

The above article is an excerpt from the HealthCare Billing & Management Association website. 11/08

PAIN MANAGEMENT NEWSFLASH

Six PMG staff members recently attended a coding conference in Orlando, Florida. The following CPT codes have been revised to ‘0’ global days and have been reduced in value.

- 64416
- 64446
- 64448
- 64449



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