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Key Medicare News for 2008 for Physicians and Other Health Care Professionals

Key Words

SE0730, Physicians, News

Provider Types Affected

Physicians and other practitioners who submit Medicare fee-for-service (FFS) claims to Medicare carriers or Part A/B Medicare Administrative Contractors (A/B MACs)

Note: MLN Matters article SE0730 was impacted by the Medicare Improvements for Patients and Providers Act of 2008, which was enacted on July 15, 2008. That legislation delays the implementation of the DMEPOS competitive bidding program until 2009 and makes other changes to the program.

Key Points

- Special Edition article SE0730 is being provided to keep the Medicare physician and health care professional informed about important Medicare initiatives and new Medicare benefits available in Calendar Year (CY) 2008.
- As providers once again make their decision to enroll in or terminate enrollment in the Medicare participation program, the Centers for Medicare & Medicaid Services (CMS) would like to take this opportunity to review some important news for 2008.
- CMS believes this information provides significant benefits to providers and their Medicare patients. It encourages providers to enroll or stay in the Medicare participation program in order to take full advantage of the upcoming changes.

National Provider Identifier (NPI) - Get it! Share it! Use it!

- Medicare carriers and A/B MACs began transitioning their systems to start rejecting claims when the NPI and legacy provider identifier pair that are reported on the claim cannot be found on the Medicare crosswalk.
- Providers are urged to pay attention to the reject reports they receive. The reject reports will help providers and their staffs identify problems that cause claims to reject.

- Providers should also ensure that their Medicare enrollment information is up to date. If they need to submit a completed CMS-855 (Medicare provider enrollment form), they should remember to list all of the NPIs that will be used in place of legacy identifiers.
- If providers need to apply for an NPI or update their information in the National Plan and Provider Enumeration System (NPPES), they should include ALL of their Medicare legacy numbers. If the information is different between the provider's Medicare enrollment information and their NPPES record, there is a very good chance their claims will reject.
- NPPES can accept only 20 Other Provider Identifiers but is being expanded to accept more in the future.
- NPPES data may be verified at <https://nppes.cms.hhs.gov> on the CMS website. Providers may contact the NPI Enumerator at 1-800-465-3203 if they need assistance in viewing their NPPES record.
- There is a MLN Matters article (SE0727) that lists the informational edits that preceded the reject report messages and their meanings. Providers may visit <http://www.cms.hhs.gov/MLNMattersArticles/downloads/SE0725.pdf> on the CMS website to view the article.
- Some incorporated physicians and non-physician practitioners have obtained NPIs as follows:
 - An individual (Entity Type 1) NPI for the physician or non-physician practitioner; and
 - An organization (Entity Type 2) NPI for the corporation.
- If providers enrolled in Medicare as an individual and obtained a Medicare Provider Identification Number (PIN) as an individual, and want to use their NPI and their PIN pair in their Medicare claims, they should be sure they use their individual NPI with their individual PIN. **Pairing their corporation's NPI with their individual PIN will result in their claims being rejected.**
- If providers wish to bill Medicare with their corporation's NPI, then they must be sure their corporation is enrolled in Medicare so that it can be assigned a PIN. Providers should contact their servicing Medicare carrier for more information about this enrollment.
- Until the providers' corporation is enrolled in Medicare, they may continue to bill by using their individual NPI with their individual PIN to ensure that there is no disruption to their claims being processed and paid.
- Providers should note that similar problems may result if they bill Medicare by using their individual NPI with their corporation's PIN (if the corporation is enrolled and has been assigned a PIN). **In other words, when billing with the NPI/PIN pair, they must use compatible NPIs and PINs.**
- After May 23, 2008, legacy identifiers will not be permitted on any inbound or outbound transactions.
- This includes inbound claims, crossover claims, both paper and electronic remittance advices, the 276/277 claims status inquiries/replies, NCPDP claims, and the 270/271 eligibility inquiries/replies.
- For up-to-date information on the NPI, CMS recommends providers' periodic visits to <http://www.cms.hhs.gov/NationalProvidentStand/> on the CMS website.

Unique Physician Identification Numbers (UPINs)

- CMS discontinued assigning unique physician identification numbers (UPINs) on June 29, 2007, but will maintain its UPIN public “look-up” functionality and Registry website through May 23, 2008.

Competitive Acquisition Program (CAP) for Part B Drugs

- The Medicare Modernization Act requires CMS to implement a competitive acquisition program (CAP) for Medicare Part B drugs and biologicals that are not paid on a cost or prospective payment system basis.
- This program is an alternative to the average sales price (ASP) methodology for acquiring certain Part B drugs which are administered incident to a physician's services. In the CAP, physicians are given a choice between buying and billing these drugs under the ASP system, or selecting a Medicare-approved CAP vendor that will supply these drugs.
- Participation in the CAP is voluntary, and each year Medicare physicians can elect to participate.
- Those who do participate will obtain drugs through CAP vendors. The vendors will bill Medicare for the administered drug and will bill the beneficiary for any applicable co-insurance or deductible.
- All physicians who participated in the CAP in 2007 and wish to participate in 2008 will need to make the 2008 CAP election during the regular fall election period, which will run from October 1, 2007, to November 15, 2007.
- Participating physicians can sign up to receive CAP updates from the CMS-CAP-Physicians-L electronic mailing list at <http://www.cms.hhs.gov/apps/maillinglists/default.asp?audience=3> on the CMS CAP “Information for Physicians” webpage (http://www.cms.hhs.gov/CompetitiveAcquisforBios/02_infophys.asp#TopOfPage).

Physician Quality Reporting Initiative (PQRI)

- The Tax Relief and Health Care Act of 2006 authorizes a physician quality reporting system.
- This program, which CMS has named the, “Physician Quality Reporting Initiative”, was implemented on July 1, 2007, and establishes a financial incentive for eligible professionals who participate in a voluntary quality-reporting program.
- These eligible professionals, who successfully report a designated set of quality measures on claims for dates of service from July 1 to December 31, 2007, may earn a bonus payment (subject to a cap) of 1.5% of total allowed charges for covered Medicare physician fee schedule services during that same period.
- The proposed 2008 PQRI quality measures were published in the Federal Register as a part of the 2008 Medicare Physician Fee Schedule Proposed Rule. The final 2008 PQRI measures will be published in the 2008 MPFS Final Rule and posted at <http://www.cms.hhs.gov/PQRI> on the CMS PQRI website.
- For more information about the PQRI and to access important educational tools, providers may go to <http://www.cms.hhs.gov/PQRI> on the CMS website.

New Durable Medical Equipment, Prosthetics, Orthotics & Supplies (DMEPOS) Certificates of Medical Necessity (CMNs) and DME Information Forms (DIFs) for Claims Processing

- CMNs provide a mechanism for suppliers of DME and medical equipment and supplies to demonstrate that the item they provide meets the minimal criteria for Medicare coverage.
- DME Medicare Administrative Contractors review the documentation that physicians, suppliers, and providers supply on the CMNs and DME DIFs, and determine if the medical necessity and applicable coverage criteria for selected DMEPOS were met.
- On April 13, 2007, CMS announced the development of improved CMNs and DIFs that are consistent with current medical practices and that conform to Medicare guidelines.
- In this improvement process, CMS revised several CMNs, replaced three CMNs with two DIFs, and revised *Medicare Program Integrity Manual*, Chapter 5 (Items and Services Having Special DME Review Considerations).
- Additionally, these new Office of Management and Budget approved forms permit the use of a signature and date stamp that resulted in revision of the *Medicare Program Integrity Manual*, Chapter 3, Section 3.4.1.1 (Documentation Specifications for Areas Selected for Prepayment or Post Payment Medical Review).
- Providers can learn more about these revised forms by reading MLN Matters article MM5571, which is based on Change Request (CR) 5571. MM5571 may be found at <http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM5571.pdf> on the CMS website.
- The new forms are available at <http://www.cms.hhs.gov/CMSForms/CMSforms/list.asp#TopOfPage> on the CMS website.

Preventive Services

- Medicare, which began covering preventive services in 1981 with the pneumococcal vaccination, now covers a broad range of services to prevent disease, detect disease early when it is most treatable and curable, and manage disease so that complications can be avoided.
- These services include:
 - The Initial Preventive Physical Examination (IPPE), also known as the, "Welcome to Medicare" visit, which now includes coverage of a one-time preventive ultrasound screening for the early detection of abdominal aortic aneurysms (AAA) for at-risk beneficiaries (those with a family history of AAA or males age 65 to 75 who have smoked at least 100 cigarettes in their lifetime).
 - It is important for providers to note that in order to receive the AAA ultrasound screening benefit beneficiaries must be referred by their physician or other qualified non-physician practitioner.
 - Providers can learn more about the IPPE and AAA ultrasound screening by reading the MLN Matters article SE0711, which they can find at <http://www.cms.hhs.gov/MLNMattersArticles/downloads/SE0711.pdf> on the CMS website.
 - CMS has also developed a new quick reference information chart entitled, "The ABCs of Providing the Initial Preventive Physical Examination". This two-sided laminated chart may be used by Medicare fee-for-service physicians and qualified non-physician practitioners as a guide when providing the IPPE.

- The chart is currently available at http://www.cms.hhs.gov/MLNProducts/downloads/MPS_QRI_IPPE001a.pdf on the CMS website.
- Preventive Services included in the chart are:
 - Adult Immunization--Influenza Immunization, Pneumococcal Vaccination, Hepatitis B Vaccination;
 - Colorectal Cancer Screening;
 - Screening Mammography;
 - Screening Pap Test and Pelvic Examination;
 - Prostate Cancer Screening;
 - Cardiovascular Disease Screening;
 - Glaucoma Screening;
 - Bone Mass Measurement;
 - Diabetes Screening, and Self-Management, Medical Nutrition Therapy Services, and Supplies; and
 - Smoking and Tobacco-Use Cessation Counseling.
- To learn more details about these preventive benefits, providers may see The Guide to Medicare Preventive Services for Physicians, Providers, Suppliers, and Other Health Care Professionals located at http://www.cms.hhs.gov/MLNProducts/downloads/mps_guide_web-061305.pdf on the CMS website.
- CMS has a variety of educational products and resources to help you become familiar with coverage, coding, billing, and reimbursement for all Medicare-covered preventive services, including:
 - The MLN Preventive Services Educational Products Web Page, which provides descriptions and ordering information for all provider specific educational products related to preventive services. The web page is located at http://www.cms.hhs.gov/MLNProducts/35_PreventiveServices.asp on the CMS website; and
 - The CMS website (<http://www.cms.hhs.gov>), which provides information for the individual preventive service covered by Medicare. (Providers should select "Medicare", and scroll down to "Prevention".)
- For products to share with their Medicare patients, providers may visit <http://www.medicare.gov/> on the Internet.

DMEPOS Competitive Bidding

- Section 302(b) of the Medicare Modernization Act, requires Medicare to replace the current DMEPOS payment methodology for select items in select areas with a competitive acquisition process to improve the effectiveness of its payment-setting methodology.
- This new program will establish payment amounts for certain DMEt, enteral nutrition, and off-the-shelf orthotics by replacing the current payment amounts (under Medicare's DMEPOS fee schedule) with payment rates derived from a bidding process.

- Suppliers that want to furnish competitively bid items in a competitive bidding area (CBA) will be required to submit bids to furnish those items.
- The winning bids will be used to establish a single Medicare payment amount for each item. Contracts will be awarded to a sufficient number of winning bidders in each CBA to ensure access and service to high quality DMEPOS items.
- CMS is phasing in this new program. Bidding for the first phase began in 2007 in CBAs within 10 of the largest Metropolitan Statistical Areas (MSAs), excluding New York, Los Angeles, and Chicago. Prices from the first phase of bidding are scheduled to go into effect in 2008.
- The program will be expanded into 70 additional MSAs in 2009. After 2009, CMS will expand the program to additional areas.
- While this program may have no direct impact on most physicians, it might have impact on where a provider's patients receive their DMEPOS.
- Some suppliers currently serving the provider's patients may not be selected to continue Medicare participation under the new program and their patients may have to go to new suppliers.
- While this may happen, Medicare will continue to meet the same patient needs for DMEPOS as it has prior to the new program. Medicare is just attempting to meet those concerns in a more cost effective manner in order to protect Medicare funding.
- Providers can find more information about the Medicare DMEPOS competitive bidding program at <http://www.cms.hhs.gov/CompetitiveAcqforDMEPOS/> on the CMS website.

The Medicare Learning Network

- The MLN, the brand name for official CMS provider educational products, is designed to promote national consistency in Medicare provider information developed for CMS initiatives.
- The MLN products available on the MLN web page provide easy access to web-based training courses, comprehensive training guides, brochures, fact sheets, CD-ROMs, videos, educational web guides, electronic listservs, and links to other important Medicare Program information.
- All educational products are available free of charge and can be ordered and/or downloaded from the MLN web page located at <http://www.cms.hhs.gov/MLNGenInfo/> on the CMS website. Some of the new information for 2007 on the MLN web page follows.

Physician Educational Tools

- **The Guide to Medicare Preventive Services for Physicians, Providers, Suppliers, and Other Health Care Professionals Second Edition:** Provides information on Medicare's preventive benefits including coverage, frequency, risk factors, billing and reimbursement (August 2007). This is available in downloadable format.
- **Medicare Guide to Rural Health Services Information for Providers, Suppliers, and Physicians:** Contains rural health services information pertaining to rural health facility types, coverage and payment policies, and rural provisions under the Medicare Prescription Drug, Improvement and Modernization Act of 2003 and the Deficit Reduction Act of 2005. The primary audience includes rural health providers, suppliers, and physicians (February 2007). It is available in hard copy, CD Rom, and downloadable formats.

- **Medicare Physician Guide: A Resource for Residents, Practicing Physicians, and Other Health Care Professionals:** Offers general information about the Medicare Program, becoming a Medicare provider or supplier, Medicare payment policies, Medicare reimbursement, evaluation and management documentation, protecting the Medicare Trust Fund, inquiries, overpayments, and appeals (July 2007). It is available in hard copy, CD Rom, and downloadable formats.
- **Companion Facilitator's Guide – To The Medicare Physician Guide: A Resource for Residents, Practicing Physicians, and Other Health Care Professionals:** Includes all the information and instructions necessary to prepare for and present a Medicare Resident, Practicing Physician, and Other Health Care Professional Training Program, including instructions for facilitators, a customization guide, two PowerPoint presentations with speaker notes, pre- and post-assessments, master assessment answer keys, and evaluation tools (January 2007). It is available in hard copy, CD Rom, and downloadable formats.
- **Physicians' Guide to Medicare Coverage of Kidney Dialysis and Kidney Transplant Services:** Explains how Medicare helps pay for kidney dialysis and kidney transplant services under the fee-for-service program. (June 2007); Available in hard copy and downloadable formats.

Other Educational Tools

- **Medicare Learning Network Guidance Tool:** Now available in CD ROM format and can be ordered through the Medicare Learning Network, product ordering page. This playable CD will streamline your search to find the most relevant and up-to-date links or URLs for national provider educational materials. A tutorial will show you how to use the Guidance Tool to locate a new link (URL), refine your search, view, download and order educational articles, brochures, fact sheets, web-based training courses, worksheets and videos. Additionally, the MLN Guidance Tool will demonstrate by example how to navigate through sections of CMS' Medicare Learning Network (January 2007). It is available in CD ROM format.
- **Medicare Preventive Services Bookmark:** Lists the preventive services and screenings covered by Medicare and provides a message that encourages health care professionals to talk with their Medicare patients about these preventive services and encourage them to take advantage of these potentially life saving benefits. This product is appropriate for distribution at health care professional conferences, provider outreach and education activities, and other appropriate types of provider/supplier events(January 2007). It is available in hard copy and downloadable formats.
- **Quick Reference Information: Medicare Preventive Services:** A two-sided laminated reference chart that gives Medicare fee-for- service physicians, providers, suppliers, and other health care professionals a quick reference to Medicare's preventive services (May 2007). It is available in hard copy and downloadable formats.
- **Quick Reference Information: Medicare Immunization Billing (Flu, PPV, and HBV):** A two-sided laminated reference chart that gives Medicare fee-for-service physicians, providers, suppliers, and other health care professionals a quick reference to Medicare billing information for the influenza, Pneumococcal, and hepatitis B vaccines and their administration(October 2006). It is available in hardcopy and downloadable formats.
- **An Overview of Medicare Preventive Services for Physicians, Providers, Suppliers, and Other Health Care Professionals:** An educational video program that provides an overview of coverage criteria for Medicare preventive benefits. This program can be viewed individually or as part of an

education session at a conference or other provider meeting. (The program is 75 minutes in length and approved by CMS for continuing education credits for successful completion.)

- **Skilled Nursing Facility (SNF) Spell of Illness Quick Reference Chart:** Provides Medicare claims processing information related to SNF spells of illness (January 2007). It is available in downloadable format only.

Brochures

- **Changes in Medicare Coverage of Power Mobility Devices: Power Wheelchairs and Power Operated Vehicles (POVs):** Addresses the CMS multi-faceted plan to ensure the appropriate prescription of wheelchairs to beneficiaries who need them (May 2007).

Diabetes-Related Services – This tri-fold brochure provides health care professionals with an overview of Medicare's coverage of diabetes screening tests, diabetes self-management training, medical nutrition therapy, and supplies and other services for Medicare beneficiaries with diabetes (August 2007).

Fact Sheets

- **Critical Access Hospital Program:** Covers information related to the Critical Access Hospital Program (March 2007).
- **Federally Qualified Health Center Fact Sheet:** Covers the Federally Qualified Health Center benefit under Medicare (March 2007).
- **Implementation of the UB-04:** Reviews the new UB-04 paper claim form which is only accepted from institutional providers excluded from the mandatory electronic claims submission. It includes background information, the transition period and a crosswalk (May 2007). It is available in downloadable format only.
- **Inpatient Rehabilitation Facility Prospective Payment System Fact Sheet** This fact sheet provides information about Inpatient Rehabilitation Facility Prospective Payment System rates and classification criterion (March 2007).
- **Medicare Disproportionate Share Hospital Fact Sheet:** Covers the basics of the Medicare Disproportionate Share Hospital. (August 2007).
- **Medicare Physician Fee Schedule Fact Sheet:** Provides general information about the Medicare Physician Fee Schedule. (January 2007).
- **Medicare Secondary Payer Fact Sheet:** Provides a general overview of the Medicare Secondary Payer provision for individuals involved in the admission and billing procedures at provider, physician and other supplier settings. (June 2007).
- **Rural Health Clinic Fact Sheet:** Covers the basics of the Rural Health Clinic (RHC) Program. (June 2007).
- **Rural Referral Center Fact Sheet:** Covers the basics of the Rural Referral Center (RRC) Program. (March 2007)

Web Based Training Programs

- **CMS Form 1450:** Provides information that will allow you to file Medicare Part A claims accurately and reduce your chances of receiving unprocessable rejections (January 2007).
- **CMS Form 1500:** Provides information that will allow you to file Medicare Part B claims accurately and reduce your chances of receiving unprocessable rejections (May 2007).
- **Diagnosis Coding: Using the ICD-9-CM:** Teaches you how to select accurate diagnosis codes from the ICD-9-CM volumes and how to use diagnosis codes correctly on Medicare claim forms (May 2007).
- **Medicare Fraud and Abuse:** Teaches you how to identify Medicare fraud and abuse. You will also learn what safeguards to use to protect yourself against fraud and abuse and what liability and penalties you could face if you commit fraud or abuse. (April 2004)
- **Outpatient Code Editor (OCE):** Useful for physicians and other health care professionals. This course addresses the OCE in Medicare's Fiscal Intermediary Standard System, which processes outpatient claims (January 2007).
- **Medicare Preventive Services Series: Part 1 Adult Immunizations:** This web-based training course provides information to help fee-for-service providers and suppliers understand Medicare's coverage and billing guidelines for influenza, pneumococcal, and hepatitis B vaccines and their administration (Updated September 2007).

National Provider Identifier

- **Health Care Providers - Who are Sole Proprietors?:** A sole proprietor/sole proprietorship is an individual and, as such, is eligible for a single NPI. Read more about Sole Proprietors and the NPI (July 2007).
- **Health Care Providers - Who are Organizations?:** Organization health care providers apply for NPIs as Organizations (Entity Type 2). Read more about Organization Providers and the NPI (July 2007).
- **Tip Sheets - What the "Guidance on Compliance with the HIPAA National Provider Identifier (NPI) Rule" Means for Health Care Providers:** Interprets the recently released contingency guidance into helpful steps for providers (May 2007).
- **National Provider Identifier Training Package:** CMS has developed a Training package for NPI that will assist providers with self-education, as well as education of staff. This package is also useful to national and local medical societies for group presentations and training. The entire package will consist of five modules: General Information, Electronic File Interchange, Subparts, Data Dissemination and Medicare Implementation. Each Module consists of a PowerPoint presentation (with speaker's notes) and is designed to stand-alone or can be combined with other Modules for a training session tailored to the particular audience.
- **Enrolling in Medicare:** CMS has posted a document that will assist physicians in completing the CMS-855I (Medicare Provider Enrollment Application for Physicians and Non-Physician Practitioners). The document is available at <http://www.cms.hhs.gov/Medicareprovidersupenroll/downloads/EnrollmentNPI.pdf> on the CMS website.

Physician Quality Reporting Initiative (PQRI) Tool Kit

- CMS has developed a “PQRI Tool Kit – Six Steps for Success” that will assist eligible professionals with successful reporting, as well as education of staff. This Tool Kit is also useful for group presentations and training programs. Currently, the Tool Kit consists of six educational resources (listed below). Each resource in the Tool Kit is designed to stand alone or can be combined with other resource for a training session tailored to the particular audience.
- The Tool Kit includes:
 - **2007 PQRI Physician Quality Measures** - A numerical listing of all measures included in 2007 PQRI;
 - **MLN Matters Article 5640- Coding & Reporting Principles** - A publication that introduces the coding and reporting principles underlying successful PQRI reporting;
 - **2007 PQRI Code Master** - A numerical listing of all codes included in PQRI intended for incorporation into billing software;
 - **2007 Coding for Quality Handbook** - A handbook that delineates coding and reporting principles and provides implementation guidelines for how to successfully report measures using clinical scenarios;
 - **2007 Data Collection Worksheets** - Measure-specific worksheets that walk the user step-by-step through reporting for each quality measure; and
 - **2007 PQRI Measure Finder Tool and User Guide** - A tool designed to assist eligible professionals and their practice staff to quickly search for applicable measures and their detailed specifications.

Physician Quality Reporting Initiative (PQRI) PowerPoint Presentations

- CMS has developed PowerPoint presentation modules that will assist eligible professionals with successful reporting, as well as education of staff.
- These PowerPoint presentation modules are also useful for group presentations and training programs.

MyMedicare.com

- As announced in last year’s article, Medicare beneficiaries can access Medicare’s free secure online service to view their Medicare information by registering for MyMedicare.com.
- At this site, they can access their personalized information about their Medicare benefits and services, and can:
 - View claim status (excluding Part D claims);
 - Order a duplicate Medicare Summary Notice (MSN) or replacement Medicare card;
 - View eligibility, entitlement, and preventive services information;
 - View enrollment information including prescription drug plans;
 - View or modify their drug list and pharmacy information;
 - View address of record with Medicare and Part B deductible status; and
 - Access online forms, publications, and messages sent by CMS.

- Registration is simple. Medicare beneficiaries should go to <http://www.medicare.gov> and click on the box in the upper left of the screen to sign up for MyMedicare.gov.

Important Links

The related MLN Matters article can be found at <http://www.cms.hhs.gov/MLNMattersArticles/downloads/SE0730.pdf> on the CMS website.