

Provider Partnership Program (PPP) E-mail Notification Archives

December 4, 2006

Your Monday Reading Materials

CMS asks that you share this important information with all of your association members and State and local chapters. Thanks!

Happy Monday everyone ~ I hope you have a good week ahead of you. As we start the last month of 2006, your Medicare news items include information on:

- *New Medicare Hospital Requirements*
- *Issuance of Final Rule on Notification of Hospital Discharge Appeal Rights*
- *New Educational Products*

MEDICARE PUBLISHES NEW HOSPITAL REQUIREMENTS History and Physical Examinations, Authentication of Verbal Orders, Securing Medications, and Postanesthesia Evaluations Addressed

The Centers for Medicare & Medicaid Services (CMS) recently published a final rule revising requirements in the hospital conditions of participation (CoPs) for completion of history and physical examinations, authentication of verbal orders, securing medications, and completion of post anesthesia evaluations. The new rule addresses concerns of the health care community that the old regulations were outdated and unduly burdensome.

"We always want to make sure that Medicare beneficiaries receive the best possible health care, and one important way to do that is to provide rules and guidelines that enable providers to operate smoothly and efficiently," said CMS Acting Administrator Leslie V. Norwalk, Esq. "We think these changes will better serve the health care industry as a whole."

To view the entire press release, please click here:

http://www.cms.hhs.gov/apps/media/press_releases.asp

CMS Issues Final Rule: Notification of Hospital Discharge Appeal Rights (CMS-4105-F)

On November 27, 2006, the Centers for Medicare & Medicaid Services (CMS) issued a final rule, Notification of Hospital Discharge Appeal Rights, CMS-4105-F. This final rule responds to comments on the April 5, 2006 proposed rule and sets forth requirements for how hospitals must notify Medicare beneficiaries who are hospital inpatients about their hospital discharge appeal rights. Notice is required both for

original Medicare beneficiaries and for beneficiaries enrolled in Medicare health plans.

Based on consideration of hundreds of public comments, CMS made several adjustments to the proposed notice delivery process aimed at balancing existing hospital discharge processes with a beneficiary's right to be informed of his or her discharge appeal rights. Most notably, rather than implementing a separate new discharge notice, the final rule requires that hospitals use a revised version of the Important Message from Medicare (IM), an existing statutorily required notice, to explain the discharge rights. Hospitals must issue the IM within 2 days of admission, and must obtain the signature of the beneficiary or his or her representative. In cases where the IM is delivered more than two days before discharge, hospitals will be required to give the beneficiary a copy of the signed IM before discharge. For beneficiaries who request an appeal, the hospital, or health plan if applicable, will deliver a more detailed notice. Over the next few months, CMS will obtain public comments on the revised version of the IM and the detailed notice in preparation for a July 1, 2007 implementation of the new process.

CMS-4105-F can be viewed on the Federal Register Online via GPO Access <http://www.gpoaccess.gov/fr/index.html>.

Questions may be directed to Eileen Zerhusen at Eileen.zerhusen@cms.hhs.gov

New Educational Products



New from the Medicare Learning Network!

The Second Edition – October 2006 of the "Reference Guide for Medicare Physician & Supplier Billers -- Helping Front Office Personnel Navigate Medicare Rules for Part B Claims Processing," is now available in downloadable format. This guide contains a variety of information to help providers submit accurate and timely Medicare claims. While providing historical information on Medicare Part A, Medicare Advantage, and Medicare Part D drug and coverage benefits, this guide is focused on providing information and procedures for physicians and suppliers that provide Part B services. Topics include how to enroll as a Medicare provider; claims submission; medical review; appeals; troubleshooting denials and claim rejections; and much more! You can access this downloadable publication at

<http://www.cms.hhs.gov/MLNProducts/MPUB/itemdetail.asp?filterType=none&filterByDID=0&sortByDID=4&sortOrder=ascending&itemID=CMS061385&intNumPerPage=10>

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CMS is pleased to provide you with a newly developed tip sheet (attached) that reviews some of the Medicare covered services related to diabetes, including some newly covered services.

Please take a few minutes to review this tip sheet and send it on to your network including people at the community level who may be interested. We want to make sure that this information reaches people with diabetes as well as people who provide care or services to people with diabetes.

As always, we appreciate your cooperation in helping us to spread the word about Medicare Preventive Services!

Flu Shot Reminder - As a respected source of health care information, patients trust their doctors' recommendations. If you have Medicare patients who haven't yet received their flu shot, help protect them by recommending an annual influenza and a one time pneumococcal vaccination. Medicare provides coverage for flu and pneumococcal vaccines and their administration. – And don't forget to immunize yourself and your staff. **Protect yourself, your patients, and your family and friends.** Get Your Flu Shot. Remember - Influenza vaccination is a covered Part B benefit. Note that influenza vaccine is NOT a Part D covered drug. For more information about Medicare's coverage of adult immunizations and educational resources, go to CMS's website:

<http://www.cms.hhs.gov/MLN MattersArticles/downloads/SE0667.pdf> .



Partner Tip Sheet -
11274-P Diabetes Up

With best regards ~ Valerie

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December 8, 2006

Your Friday Reading Materials

CMS asks that you share this important information with all of your association members and State and local chapters. Thanks!

Hello everyone ~ I hope you had a good week. Today's Medicare news items include information on:

- *Correction Notice for the CY 2007 Final Physician Fee Schedule*
- *Clarifications to Outpatient Therapy Cap Exceptions*
- *Payment for Part D Vaccines*
- *MLN Matters Search Engine Update*
- *Special Open Door Forum: Post-Acute Care -- Development of a Patient Assessment Instrument*

Correction Notice for the CY 2007 Final Physician Fee Schedule

A correction notice for CMS 1321-FC (the CY 2007 final physician fee schedule rule) went on display at the Office of the Federal Register, December 4th and will be published in the Federal Register on Friday, December 8th. A copy of this correction notice is posted on the CMS website at:

<http://www.cms.hhs.gov/PhysicianFeeSched/PFSFRN/itemdetail.asp?filterType=du al,%20data&filterValue=2007&filterByDID=4&sortByDID=4&sortOrder=ascendin g&itemID=CMS1189517&intNumPerPage=10>

Note: There will be an additional correction notice to this rule (CMS 1321-FC) published at a later date.

Clarifications to Outpatient Therapy Cap Exceptions

For information regarding Outpatient Therapy Cap Exceptions Clarifications, please see the MLN Matters provider education article located at the following url:

<http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM5271.pdf>

This article also serves as a reminder that therapy caps continue to apply but the exception process ends after December 31, 2006. We will provide any updates to the status of the exceptions process by issuing a new MLN Matters article.

Payment for Part D Vaccines

A new Special Edition MLN Matters article that describes CMS's approach for providers to obtain payment for Part D vaccines under the Medicare Drug Benefit is now available at: <http://www.cms.hhs.gov/mlnmattersArticles/downloads/SE0678.pdf>

This article will help to make you aware of the coverage and payment rules related to vaccines and the administration of vaccines under Part B and Part D of Medicare.

Update on the MLN Matters Articles Search Function

The full text search feature, launched from the top of the MLN Matters Articles web pages at

<http://www.cms.hhs.gov/MLNMattersArticles/2006MMAN/List.asp#TopOfPage>

<http://www.cms.hhs.gov/MLNMattersArticles/2005MMA/List.asp#TopOfPage>

<http://www.cms.hhs.gov/MLNMattersArticles/2004MMA/List.asp#TopOfPage>

is currently unavailable. Subscribers will be kept informed of our progress on restoring the function and will receive notice when this feature is again available. In the meantime, the browser 'find', and the list options (under the heading "Select from the following options" on each page) can still be used to search the articles.

Special Open Door Forum:

Post-Acute Care -- Development of a Patient Assessment Instrument

Thursday, December 21, 2006

2:00 PM - 3:30 PM EST

The Centers for Medicare & Medicaid Services (CMS) invite you to attend a Special Open Door Forum to discuss the development of a post-acute care patient assessment instrument to be used in the payment reform demonstration mandated under Section 5008 of the Deficit Reduction Act (DRA) of 2005. Under this provision, The Secretary is to establish a demonstration program by January 1, 2008 that would:

- use a comprehensive assessment at hospital discharge to help determine appropriate PAC placement based upon patient care needs and patient clinical characteristics;
- use a standardized assessment instrument to measure health status, functional status and other factors during treatment in PAC settings and at discharge from PAC settings
- gather data on care outcomes in various PAC settings

Through this Special Open Door Forum, CMS is seeking input and comments from health industry representatives and other interested stakeholders on the conceptual model being developed for the proposed PAC patient assessment instrument. Since the demonstration will test the use of this PAC assessment instrument starting at hospital discharge, and completed at inpatient rehabilitation facilities (IRFs), skilled nursing

facilities (SNFs), home health agencies (HHAs) and long-term care hospitals (LTCHs), it would be important to receive feedback from affected stakeholders.

More information on the CMS plan to implement the DRA demonstration is available at: http://www.cms.hhs.gov/SNFPPS/11_post_acute_care_reform_plan.asp.

We look forward to your participation.

YOU MAY PARTICIPATE BY PHONE OR “IN-PERSON”

1. To participate by phone:

Dial: **1-800-837-1935** & Reference Conference ID: **2921982**
(Persons participating by phone do not need to RSVP.)

Note:

TTY Communications Relay Services are available for the Hearing Impaired. For TTY services dial 7-1-1 or 1-800-855-2880 and for Internet Relay services click here <http://www.consumer.att.com/relay/which/index.html>. A Relay Communications Assistant will help.

2. To participate in person:

This meeting will be located on Federal property, so for security reasons any person wishing to participate in person is **required to RSVP**:
Please send your reply to HOSPITALODF-L@cms.hhs.gov by 2:00 PM EST, December 19, 2006. Include the words “**Special PAC ODF**” in the subject line of your message, and send us your name, organization or representation and phone number.

Please arrive no later than 1:30 PM EST.

Upon entering the CMS building you will be required to show government-issued identification to Security officers and you may be subject to baggage search.

ADDRESS:

The Centers for Medicare & Medicaid Services

Auditorium (1st floor)

7500 Security Boulevard

Baltimore, Maryland 21244

Map & Directions:

<http://cmsnet.cms.hhs.gov/hpages/ocsq/cmsdirections-north.htm>

ENCORE: 1-800-642-1687; Conference ID# 2921982

"Encore" is an audio recording of this call that can be accessed by dialing 1-800-642-1687 and entering the Conference ID #2921982 beginning Tuesday December 26th. The recording will expire after 4 business days.

For **Forum Schedule updates, Listserv registration and Frequently Asked Questions** please visit our website at <http://www.cms.hhs.gov/OpenDoorForums>.

Flu season is here! Medicare patients give many reasons for not getting their flu shot, including-"It causes the flu; I don't need it; it has side effects; it's not effective; I didn't think about it; I don't like needles!" The fact is that out of the average 36,000 people in the U.S. who die each year from influenza and complications of the virus, greater than 90 percent of deaths occur in persons 65 years of age and older. You can help your Medicare patients overcome these odds and their personal barriers through patient education. Talk to your Medicare patients about the importance of getting their annual flu shot--and don't forget to immunize yourself and your staff. Protect yourself, your patients, and your family and friends. Get Your Flu Shot. Remember - Influenza vaccination is a covered Part B benefit. Note that influenza vaccine is NOT a Part D covered drug. For more information about Medicare's coverage of adult immunizations and educational resources, go to CMS's website: <http://www.cms.hhs.gov/MLNMattersArticles/downloads/SE0667.pdf>.

I hope you all have a great weekend!

With best regards ~ Valerie

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December 11, 2006

New Educational Products

New from the Medicare Learning Network!



The ***Hospice Payment System Fact Sheet***, which provides general information about the Medicare hospice benefit, certification requirements, election periods, and payment rates, is now available in print format from the Medicare Learning Network. To place your order, visit www.cms.hhs.gov/mlngeninfo, scroll down to "Related Links Inside CMS," and select "MLN Product Ordering Page."

My Health. My Medicare!

CMS has developed a "My Health. My Medicare" twenty-eight minute looping DVD for beneficiaries and providers. "My Health. My Medicare." This phrase is a quick reminder that Medicare offers personalized information. Whether it's on-line, in person in the community, or on the phone, Medicare is committed to helping people get the information they need to make smart choices about their Medicare benefits.

The DVD features the My.Medicare.gov web site and shows beneficiaries how to get personalized information about their coverage options and costs for 2007. The DVD also highlights new preventive services that are available for people with Medicare, and demonstrates new enhancements to the Medicare Prescription Drug Plan Finder Tool.

There is a very limited supply, so order your copy today through the MLN Products ordering System at

http://cms.meridianksi.com/kc/main/kc_frame.asp?kc_ident=kc0001&loc=5

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December 12, 2006

Information Regarding Special Edition MLN Matters Article on Payment for Part D Vaccines

The Centers for Medicare & Medicaid Services (CMS) recently released a Special Edition MLN Matters article (SE0678), which addressed CMS's approach for providers to obtain payment for Part D vaccines under the Medicare Drug Benefit. Subsequent to that release, we became aware of pending legislation that may impact the information provided in the article. Therefore, we have retracted SE0678 until we are advised of the outcome of the proposed legislation. We apologize for any

inconvenience this may cause and we will keep you apprised if and when another article becomes available on this subject matter.

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December 14, 2006

PMD Fee Schedule and New Inpatient Psychiatric Facility PPS Fact Sheet

2006 Fees for Power Mobility Device Codes Have Been Further Refined

The Centers for Medicare & Medicaid Services (CMS) made additional refinements to the new power mobility device (PMD) fee schedule issued on October 2, 2006 and first refined on November 11, 2006. Product data has been verified and technical errors made in the calculation of base fee schedule amounts have been corrected.

The revised fee schedule amounts are to be effective for claims with dates of service on or after November 15, 2006. Suppliers may resubmit previously paid claims for adjustment.

For additional information regarding the fee schedule refinements, go to:

http://www.cms.hhs.gov/DMEPOSFeeSched/01a_Power_Mobility_Devices.asp

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The *Inpatient Psychiatric Facility Prospective Payment System Fact Sheet*, which provides general information about the Inpatient Psychiatric Facility Prospective Payment System (IPF PPS), how payment rates are set, and the Rate Year 2007 update to the IPF PPS, is now available in downloadable format from the Centers for Medicare & Medicaid Services MLN Publications Page located at www.cms.hhs.gov/MLNProducts/downloads/InpatientPsychFac.pdf. Print versions of the fact sheet will be available in summer 2007.

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December 20, 2006

Your Holiday Reading Materials

CMS asks that you share this important information with all of your association members and State and local chapters. Thanks!

Hello everyone ~ I hope you're enjoying this holiday season. Today's Medicare news items include information on:

- *A National Provider Identifier (NPI) Update*
- *A Listening Session on January 17, 2007, Regarding the Medicare Hospital Value-Based Purchasing Plan*
- *New Educational Products from the Medicare Learning Network*
- *Proposed Medicaid Drug Pricing Regulation*



NPI: Get It. Share It. Use It.

Only five months remain until the NPI compliance date – are you ready to use your NPI? A recent survey of the health care industry, conducted by the Workgroup for Electronic Data Interchange (WEDI), indicates that providers should be moving from the enumeration stage into the implementation stage to ensure NPI readiness by the compliance date. Remember, it is estimated that it may take up to 120 days to complete the work needed in order to implement the NPI into your current business practices. The following steps will assist you in your preparation:

Enumerate: Have you applied for your NPI(s)?

Not only should individual providers (Type 1) have enumerated, but organizations and subparts (Type 2) should have enumerated also.

Update: Have you received your software application updates, upgrades and/or changes relevant to NPI? Be sure that the updates not only addresses the HIPAA Transactions, but includes the CMS1500, UB04 and/or Dental claim form changes.

Communicate: Have you communicated your NPI(s) to your health plans and other organizations you work with?

Keep in mind, as outlined in current regulation, all covered providers must share their NPI with other providers, health plans, clearinghouses, and any entity that may need it for billing purposes -- including designation of ordering or referring physician.

Collaborate: Do you know the readiness of your trading partners (such as health plans, TPAs, clearinghouses, etc...)?

It's important to work with your trading partners to know their readiness with NPI and how it impacts you.

Test: Have you started testing the NPI, both internally and externally?

Not only do you need to test the HIPAA Transactions such as 837 Claims, but if you process 835 Remittance Advice, be sure to test that your system can process the NPI appropriately. Also, if you submit paper claims, be sure that you've tested the data being printed in the correct fields.

Educate: Have you educated your staff on what the NPI is and the use of it?

It's important that staff who may be using the NPI in day-to-day work, such as verification of eligibility, or other tasks that may need the NPI, be aware of the NPI and the provider identifiers that it replaces. The staff may have to change policies and procedures.

Implement: Have you implemented the NPI into your business practices?

Once testing is complete, changes will go into production. Prior to doing this, you'll need to make sure your trading partners are ready to process with the NPI only.

Given all the steps above, will you be ready by May 23, 2007?

Enumeration Advice for Incorporated Individual Providers

Health care providers who are individuals are eligible for an Entity Type 1 (Individual) NPI. If these individuals incorporate themselves (i.e., if they form corporations) and the corporations are health care providers, the corporations are organization providers that are eligible for an Entity Type 2 (Organization) NPI. If either of these health care providers (the individual or the corporation) are covered providers (i.e. providers that send electronic transactions) under HIPAA, the NPI Final Rule requires them to obtain NPIs.

Reminder to Supply Legacy Identifiers on NPI Application

CMS continues to urge providers to include legacy identifiers on their NPI applications. This will help all health plans, including Medicare, to get ready for May 23, 2007. If reporting a Medicaid legacy number, include the associated State name. If providers have already been assigned NPIs, CMS asks them to consider going back into the NPPES and updating their information with their legacy identifiers if they did not include those identifiers when they applied for NPIs. This information is critical for health plans and health care clearinghouses in the development of crosswalks to aid in the transition to the NPI.

Common Testing Error Identified

Given recent testing experience, one common testing error found is that claims submitters check that they are submitting an NPI in the 2010AA Billing Provider REF02 segment instead of NM109. The REF segment is situational, but required if it is necessary to report a secondary ID, such as a legacy identifier and a taxpayer identification number. NM109 is where the NPI is to be submitted, but the claim submitter incorrectly submits a legacy identifier instead. Remember to make sure you correctly designate the type of identifier you are submitting to aid in crosswalk development during this testing phase.

NPI Questions

CMS continues to update our Frequently Asked Questions (FAQs) to answer many of the NPI questions we receive on a daily basis. Visit the following link to view all NPI FAQs:

http://questions.cms.hhs.gov/cgi-bin/cmsshs.cfg/php/enduser/std_alp.php?p_sid=Qjr3YRYh&p_lva=&p_li=&p_page=1&p_cv=&p_pv=&p_prods=0&p_cats=&p_hidden_prods=&prod_lv11=0&p_search_text=NPI&p_new_search=1&p_search_type=answers.search_nl

Providers should remember that the NPI Enumerator can only answer/address the following types of questions/issues:

- Status of an application
- Forgotten/lost NPI
- Lost NPI notification letter (i.e., for those providers enumerated via paper or web-based applications)
- Trouble accessing NPDES
- Forgotten password/User ID
- Need to request a paper application
- Need clarification on information that is to be supplied in the NPI application

Providers needing this type of assistance may contact the enumerator at 1-800-465-3203, TTY 1-800-692-2326, or email the request to the NPI Enumerator at

CustomerService@NPIenumerator.com.

Please Note: The NPI Enumerator's operation is closed on federal holidays. The federal holidays observed are: New Year's Day, Independence Day, Veteran's Day, Christmas Day, Martin Luther King's Birthday, Washington's Birthday, Memorial Day, Labor Day, Columbus Day, and Thanksgiving

Important Information for Medicare Providers

Requirement of Taxonomy Codes on Institutional Provider Claims

Effective January 1, 2007, institutional Medicare providers who submit claims for their primary facility and its subparts (such as psychiatric unit, rehabilitation unit, etc.) must report a **taxonomy code** on all claims submitted to their FI. Taxonomy codes shall be reported by these facilities whether or not the facility has applied for NPIs for each of their subparts. Institutional providers that do not currently bill Medicare for subparts are not required to use taxonomy codes on their claims to Medicare.

A recent *MLN Matters* article discusses this requirement in more detail and may be viewed at <http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM5243.pdf> on the CMS website.

Reminder to Submit Claims with Your NPI and your Legacy Number

From October 1, 2006 through May 22, 2007 or until further notice, **CMS recommends that Medicare providers submit claims using both the provider's NPI and legacy number or just the provider's legacy number.**

If claims are submitted with only an NPI:

- Claims for which Medicare systems are unable to properly match the incoming NPI with a legacy number may be rejected/returned as unprocessable to the provider. The provider will then need to resubmit the claim with the appropriate legacy number.

Reminder of DME Supplier Enumeration Requirement

As mentioned in the paper entitled, "Medicare Expectations on Determination of Subparts by Medicare Organization Health Care Providers Who Are Covered Entities Under HIPAA," **Medicare DME suppliers are required to obtain an NPI for every location.** The only exception to this requirement is the situation in which a Medicare DME supplier is a sole proprietor. A sole proprietor is eligible for only one NPI (the individual's NPI) regardless of the number of locations the supplier may have.

Communicating NPIs to Medicare

Medicare providers should know that there is no "special process" or need to call to communicate NPIs to the Medicare program. NPIs can be shared with the Medicare program by using them on your claims along with your legacy identifier. Secondly, for providers applying for Medicare enrollment, an NPI must be reported on the CMS-855 enrollment application (along with a photocopy of the NPI notification received by the provider from the NPPES or from an EFIO). Existing Medicare providers must provide their NPIs when making any changes to their Medicare enrollment information

Still Confused?

Not sure what an NPI is and how you can get it, share it and use it? As always, more information and education on the NPI can be found at the CMS NPI page www.cms.hhs.gov/NationalProvIdentStand on the CMS website. Providers can apply for an NPI online at <https://nppes.cms.hhs.gov> or can call the NPI enumerator to request a paper application at 1-800-465-3203.

Getting an NPI is free - not having one can be costly.

Listening Session Regarding the Medicare Hospital Value-Based Purchasing Plan

The Centers for Medicare and Medicaid Services will conduct a Listening Session on **January 17, 2007** on design issues for the Medicare Hospital Value-Based Purchasing Plan. The Plan is authorized by Section 5001(b) of the Deficit Reduction Act of 2005. An Issues Paper outlining the questions to be discussed at the Listening Session will be posted no later than January 3, 2007 on the CMS website, Hospital Center, under Spotlights at: <http://www.cms.hhs.gov/center/hospital.asp>.

The Listening Session will be held from 10 AM to 5 PM in the CMS Baltimore auditorium. Attendees will have the opportunity to present verbal comments if they have registered in advance to do so. A dial-in number will be provided for those who cannot attend, but due to time constraints, telephone participants will not be able to make verbal comments. Written comments on the Issues Paper will be accepted until January 24, 2007.

Registration is required for both on-site and teleconference participation. Registration information is available at: <http://registration.intercall.com/go/cms2>. Confirmation of registration is provided.

For more information about the Listening Session, please view the Federal Register Notice (CMS-1383-N) at: <http://www.cms.hhs.gov/quarterlyproviderupdates/downloads/cms1383n.pdf>.



New from the Medicare Learning Network!

- ***New Web-based Training Course for Professional Providers***

Understanding the Remittance Advice for Professional Providers Web-based training (WBT) course is now available through the **Medicare Learning Network**. This WBT course is designed to provide professional providers and their billing staff with general remittance advice (RA) information. This course provides instructions to help professional providers interpret the RA received from Medicare and reconcile it against submitted claims. Course participants will receive guidance on how to read Electronic Remittance Advices (ERAs) and Standard Paper Remittance Advices (SPRs). The course also provides an overview of software that Medicare provides free to providers for viewing ERAs. The course takes approximately 90 minutes to complete and participants may receive .2 CEUs for successful completion. To register to take this WBT course participants can go to the **Medicare Learning Network's** Product Ordering Page located at http://cms.meridianksi.com/kc/main/kc_frame.asp?kc_ident=kc0001&loc=5 and click on the course title.

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- ***Quick Reference Information: Medicare Immunization Billing Chart Available to Order***

The *Quick Reference Information: Medicare Immunization Billing* chart is now available in hardcopy or as a download from the **Medicare Learning Network**. This two sided laminated chart gives Medicare fee-for-service physicians, providers, suppliers, and other health care professionals quick information to assist with filing claims for influenza, Pneumococcal Polysaccharide (PPV), and Hepatitis B (HBV) vaccines and their administration. To download, view and print the chart go to http://www.cms.hhs.gov/MLNProducts/downloads/qr_immun_bill.pdf or a hardcopy of the chart can be ordered through the **Medicare Learning Network** Product Ordering Page at http://cms.meridianksi.com/kc/main/kc_frame.asp?kc_ident=kc0001&loc=5.

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- ***Hospital Outpatient Prospective Payment System Fact Sheet***

The *Hospital Outpatient Prospective Payment System Fact Sheet*, which provides general information about the Hospital Outpatient Prospective Payment System, ambulatory payment classifications, and how payment rates are set, is now available in print format from the **Medicare Learning Network** (MLN). To place your order,

visit www.cms.hhs.gov/mlngeninfo, scroll down to “Related Links Inside CMS,” and select “MLN Product Ordering Page.”

MEDICAID DRUG PRICING REGULATION PROPOSED

HHS Secretary Mike Leavitt announced proposed changes in the payment for certain prescription drugs in the Medicaid program. These changes implement provisions of the Deficit Reduction Act of 2005 (DRA) and are expected to save taxpayers \$8.4 billion in state and federal funds over five years.

To view the entire CMS Fact Sheet, please click here:

http://www.cms.hhs.gov/apps/media/fact_sheets.asp

A copy of the Regulation Text can be found at:

<http://www.cms.hhs.gov/MedicaidGenInfo/downloads/AMP2238P.pdf>

Flu Shot Reminder - As a respected source of health care information, patients trust their doctors’ recommendations. If you have Medicare patients who haven’t yet received their flu shot, help protect them by recommending an annual influenza and a one time pneumococcal vaccination. Medicare provides coverage for flu and pneumococcal vaccines and their administration. – And don’t forget to immunize yourself and your staff. **Protect yourself, your patients, and your family and friends.** Get Your Flu Shot. Remember - Influenza vaccination is a covered Part B benefit. Note that influenza vaccine is NOT a Part D covered drug. For more information about Medicare’s coverage of adult immunizations and educational resources, go to CMS’s website:
<http://www.cms.hhs.gov/MLNMattersArticles/downloads/SE0667.pdf> .

Just in case you don’t hear from me again this week (or next week!), I wish all of you the very best of holidays and a happy, healthy and successful 2007!

With best regards ~ Valerie

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December 29, 2006

Several Items for Your End-of-the-Year Reading

CMS asks that you share this important information with all of your association members and State and local chapters. Thanks!

Hello everyone and a very Happy New Year to you! I have several Medicare news items to close out 2006, including information on:

- New MLN Matters Articles Regarding the 2007 Physician Fee Schedule
- Medicare Part B Drug and Biological Average Sales Price (ASP) Payment Amounts for January 1 to March 31, 2007
- Updated CAP Drug List Effective January 1, 2007
- Confirming your CAP physician election status
- Briefing on Employee Education about False Claims Recovery
- Posting of the Issues Paper for the Listening Session on a Plan for Medicare Hospital Value-Based Purchasing – January 17, 2007
- HIPAA Security Guidance for Remote Use of Electronic Protected Health Information

MLN Matters Articles Regarding the 2007 Physician Fee Schedule

MM5448 – Legislative Change to the Update Factor for the 2007 Medicare Physician Fee Schedule (MPFS) and Extension of the Participating Enrollment Period
<http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM5448.pdf>

Two MLN Matters articles have just been released that contain important update information to the 2007 Medicare Physician Fee Schedule. The articles, MM5443—“2007 Physician Fee Schedule Payment Policies” and MM5459—“Emergency Update to the 2007 Medicare Physician Fee Schedule Database (MPFSDB),” can be accessed through the following URLs:

<http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM5443.pdf>

<http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM5459.pdf>

Medicare Part B Drug and Biological Average Sales Price (ASP) Payment Amounts for January 1 to March 31, 2007

The Centers for Medicare & Medicaid Services (CMS) has made available the Medicare Part B Drug and Biological Average Sales Price (ASP) Payment Amounts for January 1 to March 31, 2007 on the CMS website at

http://www.cms.hhs.gov/McrPartBDrugAvgSalesPrice/01a_2007aspfiles.asp#TopOfPage

Selected revisions to prior pricing files for 2006 have also been posted at

http://www.cms.hhs.gov/McrPartBDrugAvgSalesPrice/02_aspfiles.asp#TopOfPage

The files are located in the "Downloads" section of the web pages.

Updated CAP Drug List Effective January 1, 2007

An updated list of drugs that will be available under the CAP has been posted in the Downloads Section of the following CMS website:

http://www.cms.hhs.gov/CompetitiveAcquisforBios/15_Approved_Vendor.asp#TopOfPage

This quarter's changes include:

- NDC changes for J9045 carboplatin, J9263 oxaliplatin, J7030 normal saline, and J0881 darbepoetin
- ranibizumab (Lucentis®) will be available under the CAP specific Q code Q 4082. At this time ranibizumab is the only NOC drug available through the CAP. The HCPCS billing amount is 0.5mg.
- J7317 and J7320 have been deleted from the HCPCS code list effective January 1, 2007. These hyaluronan codes have been replaced by Q4083 for Hyalgan® and Supartz®; Q4084 for Synvisc®; and Q4085 for Euflexxa®. No changes to the hyaluronan NDCs available under the CAP have been made-these changes correspond to the latest HCPCS update.
- J2912 Injection Sodium Chloride, 0.9%, per 2ml has been deleted from the HCPCS code list effective January 1, 2007. We are therefore also deleting it from the CAP drug list. This item, a small quantity of saline used to flush IV lines, is typically paid as a part of a physician's drug administration fee.
- J1642 Injection, Heparin Sodium (Heparin Lock Flush), Per 10 Units. This item is typically covered under a physician's drug administration charges, therefore we are deleting it from the CAP drug list. Therapeutic quantities of heparin remain available through the CAP under J1644.

Confirming your CAP physician election status

The regular 2007 CAP physician election period concluded on December 1, 2006. Physicians who believe that they have elected to participate in the CAP, but have not been contacted by the approved CAP vendor should confirm their status to participate in the CAP with their local carrier (the carrier that processes the physician's Part B claims). A link to carriers' contact information

may be found in the Downloads section of the CAP information for physicians' webpage (http://www.cms.hhs.gov/CompetitiveAcquisforBios/02_infophys.asp#TopOfPage) under Medicare Carrier Addresses. Corresponding telephone numbers are also listed.

Briefing on Employee Education about False Claims Recovery

On Thursday, January 11, 2007, at 1:00 p.m. eastern time, the Centers for Medicare & Medicaid Services (CMS) will host a briefing to respond to providers' questions regarding section 6032 of the Deficit Reduction Act of 2005 (P.L. 109-171) (DRA), Employee Education About False Claims Recovery.

The following is a link to guidance on section 6032 that was issued to State Medicaid Directors on December 13, 2006:

<http://www.cms.hhs.gov/SMDL/SMD/itemdetail.asp?filterType=none&filterByDID=0&sortByDID=1&sortOrder=descending&itemID=CMS1190449&intNumPerPage=10>

Call Leader: **Aaron Wesolowski**

Date: Thursday, January 11, 2007

Time: 1 PM ET

Call duration: 90 minutes

Toll Free #: **1-888-677-1819**

Password: **Provider**

Participants **will be required to know the PASSCODE and the CALL LEADER'S NAME** to gain access to the conference.

Posting of the Issues Paper for the Listening Session on a Plan for Medicare Hospital Value-Based Purchasing – January 17, 2007

CMS is pleased to announce that the Issues Paper addressing design considerations for the development of the Medicare Hospital Value-Based Purchasing Plan authorized by Section 5001(b) of the Deficit Reduction Act of 2005 is now posted on the CMS web page at Hospital Center Spotlights: <http://www.cms.hhs.gov/center/hospital.asp>.

CMS will conduct a Listening Session on January 17, 2007 focused on this Issues Paper. The Listening Session will be held from 10 AM to 5 PM in the CMS Baltimore auditorium. Attendees will have the opportunity to present verbal comments if they have registered in advance to do so. A dial-in number will be provided for those who cannot attend, but due to time constraints, telephone participants will not be able to make verbal comments.

All interested parties are encouraged to participate in the Listening Session, including, but not limited to hospitals and other health care providers, purchasers, employers, consumers, and representatives of these stakeholders. Registration is required for both on-site and teleconference

participation. Registration information is available at: <http://registration.intercall.com/go/cms2>. Confirmation of registration is provided.

Written comments on the Issues Paper will be accepted until January 24, 2007 and may be sent by e-mail to cmshospitalVBP@cms.hhs.gov. Comments may also be sent by FAX to 410-786-0330 or mailed to Robin Phillips, Medicare Feedback Group, Centers for Medicare & Medicaid Services, Mail Stop C4-13-07, 7500 Security Blvd., Baltimore, MD 21244-1850.

HIPAA Security Guidance for Remote Use of Electronic Protected Health Information

CMS would like to announce the publication of the "Security Guidance for Remote Use" paper. This document is intended to provide HIPAA covered entities with general information on the risks and possible mitigation strategies for remote use of Electronic Protected Health Information (EPHI).

As you may know, CMS has delegated authority to enforce the non-privacy provisions of the HIPAA Regulations, to include HIPAA Security. This guidance document sets forth CMS' minimal compliance expectations for covered entities seeking to safeguard EPHI that is accessed, stored or transported offsite. Please note however that this document does not seek to provide a comprehensive list of risks and mitigation strategies but rather a general list of suggestions for organizations that require remote use of sensitive health information.

For more information please go here and click downloads :
<http://www.cms.hhs.gov/SecurityStandard/>

Flu Shot Reminder - As a respected source of health care information, patients trust their doctors' recommendations. If you have Medicare patients who haven't yet received their flu shot, help protect them by recommending an annual influenza and a one time pneumococcal vaccination. Medicare provides coverage for flu and pneumococcal vaccines and their administration. – And don't forget to immunize yourself and your staff. **Protect yourself, your patients, and your family and friends.** Get Your Flu Shot. Remember - Influenza vaccination is a covered Part B benefit. Note that influenza vaccine is NOT a Part D covered drug. For more information about Medicare's coverage of adult immunizations and educational resources, go to CMS's website: <http://www.cms.hhs.gov/MLNMattersArticles/downloads/SE0667.pdf> .



Security Guidance
for Remote Use Final

That's it for now--I sincerely hope you all enjoy a safe and happy 2007!

With best regards ~ Valerie

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