

## Provider Partnership Program (PPP) E-mail Notification Archives

**October 1, 2007**

Grouper Software, Corrections, and Table Updates for CMS-1541-FC

### Grouper Software, Corrections, and Table Updates for CMS-1541-FC

1. CMS has provided a **Home Health Case Mix Grouper Software Package** for the home health payment regulation effective January 1, 2008. At this time, the package includes written grouper logic (e.g., pseudocode) and associated diagnosis code tables for agencies developing their own PPS grouper program. CMS will issue additional elements of the Home Health Case Mix Grouper Software Package when grouper software testing is complete. This package is available at:  
[http://www.cms.hhs.gov/HomeHealthPPS/05\\_CaseMixGrouperSoftware.asp](http://www.cms.hhs.gov/HomeHealthPPS/05_CaseMixGrouperSoftware.asp) .
2. Since the publication of the HH PPS Final Rule "Home Health Prospective Payment System Refinement & Rate Update for Calendar Year 2008 " (CMS-1541-FC) dated August 29, 2007, technical errors have been identified. For a draft of the detailed description of the errors and corrections to those errors, see the corrections to CMS-1541-FC. CMS will address these technical errors and corrections in the Federal Register, as a correction notice, in the near future. *Note: When the correction notice is published in the Federal Register, the public should refer to the correction notice as official notification and publication of the errors and corrections.* These corrections are available at:  
[http://www.cms.hhs.gov/HomeHealthPPS/downloads/CMS-1541-CN2\\_web\\_092807.pdf](http://www.cms.hhs.gov/HomeHealthPPS/downloads/CMS-1541-CN2_web_092807.pdf)
3. In response to public request, **Tables 2A, 2B, 2C, 4, 5, 10A, and 10B** from [CMS-1541-FC](#) are now available in a more user-friendly format on the CMS website. These [tables](#) are available in separate sheets of a zipped Excel file.  
*Note: The tables in the Excel file have incorporated the "draft" corrections to errors which have been posted to the CMS website and will be published in the Federal Register in the near future.* These tables are available at:  
[http://www.cms.hhs.gov/HomeHealthPPS/downloads/CMS-1541-F\\_Tables.zip](http://www.cms.hhs.gov/HomeHealthPPS/downloads/CMS-1541-F_Tables.zip) .

To view CMS-1541-FC, go to

<http://www.cms.hhs.gov/HomeHealthPPS/HHPPSRN/itemdetail.asp?itemID=CMS1202451>.

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## October 2, 2007

### Medicare Part B Drug Competitive Acquisition Program (CAP): 2008 Physician Election Has Begun

#### **Medicare Part B Drug Competitive Acquisition Program (CAP): 2008 Physician Election Has Begun**

The 2008 Physician Election Period for the Medicare Part B Drug Competitive Acquisition Program (CAP) began on October 1, 2007 and will conclude on November 15, 2007. The CAP is a voluntary program that offers physicians the option to acquire many injectable and infused drugs they use in their practice from an approved CAP vendor, thus reducing the time they spend buying and billing for drugs. The 2008 CAP program will run from January 1 to December 31, 2008.

Once a physician has elected to participate in CAP, they must obtain all drugs on the CAP drug list from the CAP drug vendor. Physicians can still continue to purchase and bill Medicare under the Average Sale Price (ASP) system for those drugs that are not provided by the physician's CAP vendor.

Additional information about the CAP is available at the following website:

[http://www.cms.hhs.gov/CompetitiveAcquisforBios/01\\_overview.asp](http://www.cms.hhs.gov/CompetitiveAcquisforBios/01_overview.asp)

The physician election form can be found at the following webpage in the Downloads section. Additional information for physicians can also be found at this site:

[http://www.cms.hhs.gov/CompetitiveAcquisforBios/02\\_infophys.asp](http://www.cms.hhs.gov/CompetitiveAcquisforBios/02_infophys.asp)

The list of drugs supplied by the CAP vendor, including NDCs, is in the Downloads section at:

[http://www.cms.hhs.gov/CompetitiveAcquisforBios/15\\_Approved\\_Vendor.asp](http://www.cms.hhs.gov/CompetitiveAcquisforBios/15_Approved_Vendor.asp)

**Please note that completed and signed physician election forms should be returned by mail to your local carrier. Forms must be postmarked on or before November 15, 2007. DO NOT return forms to CMS offices.**

More detailed information will be available in an upcoming Medicare Learning Network (MLN) Matters Article.

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Medicare Part B Drug CAP ~ Ask the Contractor Teleconference on Wednesday, October 3, 2007 at 2 P.M. CST

**Medicare Part B Drug Competitive Acquisition Program (CAP): Ask the Contractor Teleconference on Wednesday, October 3, 2007 at 2 P.M. CST**

The designated carrier for CAP, Noridian Administrative Services (NAS), will hold an Ask the Contractor Teleconference on **October 3, 2007 at 2 p.m. CST**. Prospective CAP physicians will have an opportunity to learn more about CAP and how to elect into the program during the upcoming 2008 physician election period. Additionally, NAS staff will be available to answer questions. To participate in the teleconference, please dial (877) 260-8899 on October 3, 2007. No prior registration is required.

The 2008 Physician Election Period for the Medicare Part B Drug Competitive Acquisition Program (CAP) will begin on October 1, 2007 and will conclude on November 15, 2007. For more information about CAP, please visit the CMS CAP website at: <http://www.cms.hhs.gov/CompetitiveAcquisforBios/>

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Special NPI message to Clearinghouses and Billing Services

***The NPI is here. The NPI is now. Are you using it?***

**Potential Issues Related to Clearinghouse and Billing Service Practices**

As part of efforts to fully implement the NPI, Medicare FIs, carriers, and A/B MACs have begun calling providers who are not sending their NPI on claims or are sending incorrect NPI information. It has come to CMS' attention that:

- Some Clearinghouses may be stripping the National Provider Identifier (NPI) off the claim prior to its submission to Medicare for claims processing. Clearinghouses may

be adding the NPI back onto the Remittance Advice, so that providers are unaware that NPIs are being removed prior to being sent forward.

- Some billing services (or “key” shops) are not putting the NPI on the claim, contrary to provider instructions.
- Some clearinghouses are not forwarding, to providers, carrier NPI informational claim error messages designed to help the provider understand the problems Medicare is encountering in attempts to crosswalk the NPI to legacy identifiers.

Medicare Contractors are turning on edits to begin validating the NPI/legacy pair against the Medicare NPI Crosswalk. If the pair on the claim is not found on the crosswalk, the claim will reject. Stripping the NPI submitted by a provider from the claim adversely affects Medicare provider incentive cash flow, payers that receive crossover claims, and the efforts of Medicare to fully implement NPI.

If you are a Clearinghouse or billing service that is stripping or not sending the NPI, Medicare would like to better understand the reasons behind this practice as well as the expected timeframe during which this will continue to occur. Therefore, we ask those willing to discuss this problem with CMS staff to please contact Aryeh Langer at [Aryeh.langer@cms.hhs.gov](mailto:Aryeh.langer@cms.hhs.gov) or Nicole Cooney at [Nicole.cooney@cms.hhs.gov](mailto:Nicole.cooney@cms.hhs.gov) before October 10, 2007.

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

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Visit the [Medicare Learning Network](#) ~ it's free!

### **October 5, 2007**

#### **Update on Medicaid Tamper Proof Prescriptions...**

On Saturday, September 29, 2007, President Bush signed the TMA, Abstinence Education, and QI Programs Extension Act of 2007 delaying the implementation date for all paper Medicaid prescriptions to be written on tamper-resistant paper. Under the new law, as of April 1, 2008, all written Medicaid prescriptions must be on tamper-resistant prescription pads.

CMS' guidance on the tamper-resistant law, set forth in an August 17, 2007 State Medicaid Director letter, contains two phases. For the first, a prescription must contain at least one of the three tamper-resistant characteristics in order to be considered “tamper resistant.” For the second, prescriptions must contain all three characteristics. The two-phased approach will still be

in effect. At least one of the three tamper-resistant characteristics is required on April 1, 2008. All three characteristics are required on October 1, 2008.

All other guidance that CMS has issued on this requirement contained in the [State Medicaid Director letter](#) and [Frequently Asked Questions](#) will still apply once it is implemented. More info on the CMS guidance to States can be found on our [website](#).

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## Your Friday Reading Materials

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

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*Happy Friday everyone! Several items this week, including information on:*

- **Special Open Door Forum on Requirements for Approval and Re-approval of Transplant Centers to Perform Organ Transplants**
- **Corrections to CMS-1541-FC, "Home Health Prospective Payment System Refinement & Rate Update for Calendar Year 2008," dated August 29, 2007**
- **New from the Medicare Learning Network**
- **An Advisory Opinion on Physician Self Referral**
- **Update on Medicaid Tamper Proof Prescriptions**
- **Medicare Premiums and Deductibles for 2008**
- **2008 Part D Plan Choices**
- **Mass Immunization for Flu Vaccines**



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## **Special Open Door Forum:**

# **Final Rule - Hospital Conditions of Participation: Requirements for Approval and Re-approval of Transplant Centers to Perform Organ Transplants**

*Tuesday, October 16, 2007*

2:00 PM – 3:00 PM, Eastern Daylight Time (EDT)

**(Conference Call Only)**

The Centers for Medicare & Medicaid Services (CMS) will hold a Special Open Door Forum (ODF) to give an overview of the latest requirements for transplant centers seeking Medicare approval to perform organ transplants.

The final rule published on March 30, 2007 establishes conditions of participation for organ transplant centers and places Medicare-approved transplant centers under the survey and certification enforcement process for providers and suppliers. The rule went into effect on June 28, 2007. Medicare-approved transplant centers have until December 26, 2007, to apply for approval under the new conditions of participation. The regulation will promote quality care in transplantation. CMS expects the regulation will enhance oversight with coordination between CMS, State survey agencies, CMS Regional Offices, Health Resources and Services Administration (HRSA), the Organ Procurement and Transplant Network (OPTN) and the Scientific Registry of Transplant Recipients (SRTR).

During this Forum, CMS will provide: (1) an overview of the transplant center final rule, and (2) a description of the application and survey process. HRSA will provide an overview of the relevant transplant data and discuss recent collaboration efforts between HRSA, OPTN and CMS in the implementation of CMS' final rule. A question and answer session will follow the presentations.

We look forward to your participation

## **Open Door Forum Participation Instructions:**

To participate in this special forum, please register on the CMS website at <http://registration.intercall.com/go/cms2> . Upon registering, you will receive a confirmation email containing further participation information. The deadline for registration is **2:00 PM EDT, October 12, 2007**. Note: Capacity is limited so register early. Registering via the web will ensure we can accommodate as many participants as possible.

For automatic emails of Open Door Forum schedule updates (E-Mailing list subscriptions) and to view Frequently Asked Questions please visit our website at: [www.cms.hhs.gov/opendoorforums](http://www.cms.hhs.gov/opendoorforums) .

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### **CMS-1541-FC Corrections Document Updated**

Since the publication of the HH PPS Final Rule "Home Health Prospective Payment System Refinement & Rate Update for Calendar Year 2008" (CMS-1541-FC) dated August 29, 2007, technical errors have been identified. For a draft of the detailed description of the errors and corrections to those errors, see the corrections to CMS-1541-FC. CMS will address these technical errors and corrections in the Federal Register, as a correction notice, in the near future. **On October 4, 2007, this file was revised in regards to the outlier calculation. The revised corrections document is available at: ([http://www.cms.hhs.gov/HomeHealthPPS/downloads/CMS-1541-CN2\\_web\\_100407.pdf](http://www.cms.hhs.gov/HomeHealthPPS/downloads/CMS-1541-CN2_web_100407.pdf)).**

**Note: When the correction notice is published in the Federal Register, the public should refer to the correction notice as official notification and publication of the errors and corrections.**

CMS has updated the previous posting of more user-friendly versions of select tables from the final rule (CMS-1541-FC) to include more user-friendly versions of the wage index related addendums, Addendum A and Addendum B, for non-urban and urban areas as defined by the Office of Management and Budget determined Core Based Statistical Areas (CBSAs). The revised tables are available at: ([http://www.cms.hhs.gov/HomeHealthPPS/downloads/CMS-1541-F\\_Tables.zip](http://www.cms.hhs.gov/HomeHealthPPS/downloads/CMS-1541-F_Tables.zip))

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### **New from the Medicare Learning Network**

The revised *Comprehensive Error Rate Testing Program (CERT) Fact Sheet* is now available in downloadable format from the *Medicare Learning Network*. The CERT fact sheet provides an overview of the CERT program requirements. To download a copy of the CERT fact sheet, visit <http://www.cms.hhs.gov/MLNGenInfo>, scroll down to "MLN Publications", highlight the Cert Fact Sheet. <http://www.cms.hhs.gov/MLNProducts/downloads/certfactsheetv1-3.pdf>

The Centers for Medicare & Medicaid Services (CMS) has updated the following web-based (WBT) training course: *Medicare Preventive Services Series: Part 1 Adult Immunizations*. This WBT course provides information to help fee-for-services providers and suppliers understand Medicare's coverage and billing guidelines for influenza, pneumococcal, and hepatitis B vaccines and their administration. This web-based training course is the first in a series of three WBT courses developed by CMS as part of a comprehensive provider information program designed to promote awareness and increase utilization of preventive benefits covered by Medicare and to help those who bill Medicare for these service to file claims effectively. CMS has been reviewed and approved as an Authorized provider by the International Association for Continuing Education and Training (IACET), 1620 I Street, NW, Suite 615, Washington, DC 20006. Participants who successfully complete this course may receive .1 IACET CEU. To register, free of charge for this course, please visit,

[http://cms.meridianksi.com/kc/main/kc\\_frame.asp?kc\\_ident=kc0001&loc=5](http://cms.meridianksi.com/kc/main/kc_frame.asp?kc_ident=kc0001&loc=5) on the CMS website.

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**Advisory Opinion on Physician Self Referral**

On October 3, 2007, CMS posted advisory opinion CMS-AO-2007-01 concerning whether a recruitment arrangement would meet the requirements of the exception set forth in section 1877(e)(5) of the Social Security Act and 42 C.F.R. § 411.357(e) if the income guarantee loan agreement portion of the arrangement was modified after the inception of the arrangement to eliminate an excess receipts provision.

The advisory opinion may be found at:

[http://www.cms.hhs.gov/PhysicianSelfReferral/07\\_advisory\\_opinions.asp](http://www.cms.hhs.gov/PhysicianSelfReferral/07_advisory_opinions.asp)

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**Update on Medicaid Tamper Proof Prescriptions**

On Saturday, September 29, 2007, President Bush signed the TMA, Abstinence Education, and QI Programs Extension Act of 2007 delaying the implementation date for all paper Medicaid prescriptions to be written on tamper-resistant paper. Under the new law, as of April 1, 2008, all written Medicaid prescriptions must be on tamper-resistant prescription pads.

CMS' guidance on the tamper-resistant law, set forth in an August 17, 2007 State Medicaid Director letter, contains two phases. For the first, a prescription must contain at least one of the three tamper-resistant characteristics in order to be considered "tamper resistant." For the second, prescriptions must contain all three characteristics. The two-phased approach will still be in effect. At least one of the three tamper-resistant characteristics is required on April 1, 2008. All three characteristics are required on October 1, 2008.

All other guidance that CMS has issued on this requirement contained in the [State Medicaid Director letter](#) and [Frequently Asked Questions](#) will still apply once it is implemented. More info on the CMS guidance to States can be found on our [website](#).

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**MEDICARE FACT SHEET**

**CMS Announces Medicare Premiums, Deductibles for 2008**

The standard Medicare Part B monthly premium will be \$96.40 in 2008, an increase of \$2.90, or 3.1 percent, from the \$93.50 Part B premium for 2007. The 2008 amount is the smallest percentage increase in the Part B premium since 2001 and is \$2.10 less than the increase in the premium for 2007.

The 2008 Part B premium of \$96.40 is equal to the amount projected in the 2007 Medicare Trustees Report issued in April. This monthly premium paid by beneficiaries enrolled in Medicare Part B covers physicians' services, outpatient hospital services,

certain home health services, durable medical equipment, and other items. Several factors account for the 3.1 percent increase in the premium.

Growth in certain areas of Medicare’s fee-for-service program, including growth in home health services, physician-administered drugs, ambulatory surgical center services, durable medical equipment, independent lab and physician’s office lab services, as well as growth in the Medicare Advantage program and a rise in other Part B services contributed to the increase. In particular, increases attributed to the Medicare Advantage program reflect the increase in the average risk of enrolled beneficiaries as well as the impact of fee-for-service cost growth on Medicare Advantage county benchmarks.

To read more on this announcement please go to [http://www.cms.hhs.gov/apps/media/fact\\_sheets.asp](http://www.cms.hhs.gov/apps/media/fact_sheets.asp) on the CMS website.

To read notices issued on display at today's *Federal Register* click under downloads section at: [http://www.cms.hhs.gov/MedicareProgramRatesStats/01\\_Overview.asp](http://www.cms.hhs.gov/MedicareProgramRatesStats/01_Overview.asp)

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**2008 Part D Plan Choices**

State level information about Part D plan options in 2008 is now available. The press release can be found online at <http://www.hhs.gov/news/press/2007pres/2007.html>.

On October 11, detailed 2008 plan information will be available through the Medicare Prescription Drug Plan Finder and Medicare Options Compare tools so you can begin working with partners and beneficiaries to compare plan choices. In addition we want to highlight a search feature of these tools that will enable you to generate printer-friendly lists of up-to-date plan options by state and county. Instructions of how to use this tool are attached. This search tool is available now to compare available 2007 plan options, and starting October 11, will compare 2008 options. Of note, when printing this list, you can chose to automatically include toll-free customer service numbers for each plan.

We have also posted a reference list of the 2008 plan options on the web containing a preview of the plan names and limited cost information while we continue to load the data into the plan finder tools. The data list and instructions for use can be found at <http://www.cms.hhs.gov/PrescriptionDrugCovGenIn/> on the web. Additional helpful information about open enrollment is available at [www.cms.hhs.gov/center/openenrollment.asp](http://www.cms.hhs.gov/center/openenrollment.asp) on the web.

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**Mass Immunization for Flu Vaccines**

The Centers for Medicare & Medicaid Services (CMS) would like to remind Part B providers and suppliers who participate as specialty provider type, mass immunizer, that a mass immunizer is a provider or supplier who enrolls in the Medicare program to offer the influenza vaccination to a large number of individuals. Enrollment for mass immunizers is ongoing. Mass immunizers who operate as centralized billers are those entities that operate in at least three different payment localities and have received permission from CMS to bill a single Medicare contractor for payment. An annual June

1 application deadline applies only to mass immunizers who are applying for participation as a Mass Immunizer Centralized Biller. Please follow the link <http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM5511.pdf> to review *MLN Matters* article MM5511 for further clarification.

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**FLU SHOT REMINDER**

Flu Season is upon us! Begin now to take advantage of each office visit as an opportunity to talk with your patients about the flu virus and their risks for complications associated with the flu. Encourage them to get their flu shot. It's their best defense against combating the flu this season. (*Medicare provides coverage of the flu vaccine without any out-of-pocket costs to the Medicare patient. No deductible or copayment/coinsurance applies.*) And don't forget, health care professionals need to protect themselves also. **Get Your Flu Shot. – Not the Flu.** Remember - Influenza vaccination is a covered Part B benefit. Note that influenza vaccine is NOT a Part D covered drug. For information about Medicare's coverage of flu vaccine and its administration as well as related educational resources for health care professions, please go to [http://www.cms.hhs.gov/MLNProducts/Downloads/flu\\_products.pdf](http://www.cms.hhs.gov/MLNProducts/Downloads/flu_products.pdf) on the CMS website.

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*I hope everyone enjoys a wonderful Columbus Day weekend!*

*With best regards ~ Valerie*

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**October 12, 2007**

Your Friday Reading Materials

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

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*Happy Friday everyone! Several items this week, including information on:*

- Medicare Provider Feedback Town Hall Meeting **\*\*Registration Closes 5:00 p.m. EDT TODAY\*\***
- Updates to the FY 2008 Inpatient Prospective Payment System



- **New from the Medicare Learning Network**
- **Request for Public Comment on DRAFT Interpretive Guidelines for ESRD**
- **Beneficiary-Related News**

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**\*\*Meeting Registration Closes 5:00 p.m. on October 12, 2007\*\***

**MEDICARE PROVIDER FEEDBACK TOWN HALL  
MEETING  
OCTOBER 16, 2007  
2:00 - 4:00 PM ET**

The Centers for Medicare & Medicaid Services (CMS) requests your participation in a Town Hall meeting on October 16, 2007, from 2:00 PM to 4:00 PM (Eastern Time). The meeting will be held in the auditorium at the Centers for Medicare & Medicaid Services, 7500 Security Boulevard, Baltimore, Maryland 21244 and by teleconference.

The purpose of the meeting is to capture individual provider feedback on relevant Fee-for-Service (FFS) Medicare policy and operational issues. By doing so we further advance CMS' efforts to strengthen the Medicare program and enhance its relationship with providers and suppliers. This Town Hall meeting also provides a venue to allow CMS staff to continue a process to engage individual providers and suppliers through the following year. This meeting is open to all Medicare FFS providers and suppliers that participate in the Medicare program, including, but not limited to, physicians, hospitals, home health agencies, and other third-party billers.

The agenda topics include: Value Based Purchasing (VBP), Medicare Provider Satisfaction Survey (MCPSS), Medicare Contracting Reform (MCR), FFS Implementation of the National Provider Identifier (NPI) and are available in the September 28, 2007 Federal Register Notice. Meeting agenda and discussion materials will be available to download at [www.cms.hhs.gov/center/provider.asp](http://www.cms.hhs.gov/center/provider.asp) by October 12, 2007. CMS will conduct a dialogue session at the meeting that offers meeting participants an opportunity to provide feedback on agenda topics.

*Please note:* Due to time constraints not all participants will have an opportunity to speak, but written submissions will be accepted at [MFG@cms.hhs.gov](mailto:MFG@cms.hhs.gov). CMS will give consideration to feedback received but written responses will not be provided.

**Meeting Registration Details**

All participants must pre-register for the meeting through on-line registration located at <http://registration.intercall.com/go/cms2>. Registration will open on September 28, 2007 and will close on October 12, 2007. Registered participants may be contacted for follow-up meetings to solicit additional individual opinions and clarify any issues that may arise during the October 16 Town Hall meeting.

You will receive a confirmation page to indicate the completion of your registration. Please print this page as your registration receipt. We encourage you to complete your registration as soon as possible. **Registration after 5:00 p.m. on October 12, 2007, will not be accepted.**

**Meeting Participation Details**

All persons attending the meeting in person will be required to show a photographic identification (a valid driver's license or passport). Further details can be found in the September 28, 2007 Federal Register Notice.

**Additional Questions/Information**

For questions or additional information about the Medicare Provider Feedback Town Hall Meeting, please send an email to [MFG@cms.hhs.gov](mailto:MFG@cms.hhs.gov) .

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**Correction Notice for FY 2008 Inpatient Prospective Payment System (IPPS) Final Rule with Comment Period**

On September 28, 2007, CMS issued a correction notice (CMS-1533-CN2), which corrects technical errors that appeared in the FY 2008 IPPS final rule with comment period (CMS-1533-FC). This correction notice is scheduled to appear in the October 10, 2007 **Federal Register**. This correction notice was developed prior to the enactment of the "TMA, Abstinence Education, and QI Programs Extension Act of 2007" on September 29, 2007, which, among other things, changed the IPPS MS-DRG documentation and coding adjustment from -1.2 percent to -0.6 percent for FY 2008. Consequently, the change to the documentation and coding adjustment for FY 2008 is not reflected in rates presented in the aforementioned correction notice. CMS is in the process of implementing this change in the law and further information will be forthcoming. Updated rates will be posted in the near future on the CMS website and our implementation of the "TMA, Abstinence Education, and QI Programs Extension Act of 2007" will be detailed in the Federal Register.

**Claims Processing Information Under the IPPS and the Long Term Care Hospital (LTCH) PPS Related to the TMA, Abstinence Education, and QI Programs Extension Act of 2007**

Medicare claims processing systems have incorporated the software updates to accommodate both the September 28, 2007 Correction Notice and the "TMA, Abstinence Education, and QI Programs Extension Act of 2007", thus ensuring that claims **with discharge dates of October 1, 2007 or later** are processed with the correct rates. However, in order to provide sufficient time to fully test Medicare claims processing systems before claims under the IPPS and the LTCH PPS are processed, those claims received by Medicare during the first few days of October may have a slight delay in payment by only a few days. The extra couple of days will ensure accurate claims processing and obviate the need for reprocessing hospital claims.

Below are links to the correction notice (CMS-1533-CN2) and the associated FY 2008 IPPS final rule with comment period (CMS-1533-FC):

Correction Notice (CMS-1533-CN2)

<http://www.cms.hhs.gov/AcuteInpatientPPS/IPPS/itemdetail.asp?itemID=CMS1203964>

FY 2008 IPPS Final Rule with Comment Period (CMS-1533-FC)

<http://www.cms.hhs.gov/AcuteInpatientPPS/IPPS/itemdetail.asp?itemID=CMS1201726>

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**New from the Medicare Learning Network**



The **Medicare Billing Information for Rural Providers, Suppliers, and Physicians** informational resource, which consists of charts that provide billing information for Rural Health Clinics, Federally Qualified Health Centers, Skilled Nursing Facilities, Home Health Agencies, and Critical Access Hospitals, is now available in print format from the Centers for Medicare & Medicaid Services **Medicare Learning Network**. To place your order, visit [www.cms.hhs.gov/mlngeninfo](http://www.cms.hhs.gov/mlngeninfo), scroll down to “Related Links Inside CMS” and select “MLN Product Ordering Page.”

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## **CMS Requests Public Comment on DRAFT Interpretive Guidelines for ESRD**

The proposed End Stage Renal Disease (ESRD) Conditions for Coverage were published in the Federal Register on February 4, 2005. Final rules have been drafted and are in the approval process. The final rule must be published by February 4, 2008. These new rules will require changes in the survey process, including the interpretive guidelines which help surveyors assure patient health and safety.

In preparation for implementation of the final rule, CMS has prepared DRAFT interpretive guidelines based on the proposed ESRD Conditions for Coverage. CMS plans to revise these DRAFT interpretive guidelines after the final rule is published.

In the meantime, CMS is giving the public an opportunity to comment on the DRAFT interpretive guidelines. We wish to make clear, however, that this document is based on the proposed rule and will need to be revised to conform to any changes that might be made in the final rule. We also wish to stress that while we welcome comments on these DRAFT interpretive guidelines, this opportunity to comment does not extend to comments that might be made on the proposed rule. **This is not an opportunity for further comment on the regulation language.** It is an opportunity for input for the surrogate “Draft Interpretive Guidelines” column. CMS intends to consider suggestions offered as this document is adapted to the final rule once the final rule is published.

### **Instructions:**

Download or print the DRAFT ESRD Interpretive Guidelines document at [http://www.cms.hhs.gov/GuidanceforLawsAndRegulations/05\\_Dialysis.asp](http://www.cms.hhs.gov/GuidanceforLawsAndRegulations/05_Dialysis.asp). This document has three columns:

- **ID#:** Each row is labeled with a red “ID#” for ease of reference.
- **Proposed Regulation:** The content in the “Proposed Regulation” column is from the proposed regulation published for comment February 4, 2005 and includes the language from the AAMI and CDC documents proposed to be adopted by

reference. The proposed regulatory language is included to remind commenters of wording in the proposed regulation. **This is NOT an opportunity for further comments on the proposed regulations.** That comment period closed May 5, 2005.

- **Draft Interpretive Guidelines:** This column includes draft interpretive guidelines based on the proposed regulations.

### **To make comments on the Draft Interpretive Guidelines:**

Download the DRAFT ESRD Interpretive Guidelines Comment Form at [http://www.cms.hhs.gov/GuidanceforLawsAndRegulations/05\\_Dialysis.asp](http://www.cms.hhs.gov/GuidanceforLawsAndRegulations/05_Dialysis.asp) . This form has two columns:

- In the first column labeled “ID#,” type the red ID number of the row about which you intend to provide comments.
- In the “Comment on Draft Interpretive Guidelines” column, you have the opportunity to comment on current draft recommendations. Type any edits or suggestions to the “Draft Interpretive Guidelines” text in this row. Type as much as you wish; the size of the space will expand to fit the text. If you have comments on more sections than the number of rows provided, tab until a new row appears.

### **Mail or email your comment no later than 5 p.m. ET on October 22, 2007 to:**

Center for Medicare & Medicaid Services  
Survey and Certification Group - IG Comments  
Attention: Debbie Davis  
Mail Stop S2-12-25  
7500 Security Blvd.  
Baltimore, Maryland 21244-1850  
Email: [esrd@cms.hhs.gov](mailto:esrd@cms.hhs.gov)

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### **Beneficiary-Related News**

## **ENHANCED TOOLS WILL HELP MEDICARE BENEFICIARIES WITH PRESCRIPTION DRUG PLAN CHOICES FOR 2008**

The Centers for Medicare & Medicaid Services (CMS) recently announced that beneficiaries, their caregivers, and family members can begin to review 2008 Medicare prescription drug plan and health plan information online through the Medicare Prescription Drug Plan Finder at [www.medicare.gov](http://www.medicare.gov).

“It’s important that we provide current, easily accessible information on Medicare prescription drug plans so beneficiaries can make informed decisions,”

said CMS Acting Administrator Kerry Weems. "The Plan Finder site averages more than 900,000 page views per week, and more than 4.75 million people with Medicare have enrolled in a drug plan since the program began."

The enhanced plan finder options offer more information and greater clarity on available drug plans, including out-of-pocket costs, pharmacy networks, and important Medicare news and updates. Navigation improvements also make the plan finder tools more user-friendly, so beneficiaries will find it easier to locate information about available drug plans before open enrollment begins on November 15, 2007.

To read more about the today's announcement on the enhanced tools to help medicare beneficiaries click here to read the CMS Press Release:  
<http://www.cms.hhs.gov/center/press.asp>

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**FLU SHOT REMINDER**

Flu Season is upon us! Begin now to take advantage of each office visit as an opportunity to talk with your patients about the flu virus and their risks for complications associated with the flu. Encourage them to get their flu shot. It's their best defense against combating the flu this season. (*Medicare provides coverage of the flu vaccine without any out-of-pocket costs to the Medicare patient. No deductible or copayment/coinsurance applies.*) And don't forget, health care professionals need to protect themselves also. **Get Your Flu Shot. – Not the Flu.** Remember - Influenza vaccination is a covered Part B benefit. Note that influenza vaccine is NOT a Part D covered drug. For information about Medicare's coverage of flu vaccine and its administration as well as related educational resources for health care professions, please go to [http://www.cms.hhs.gov/MLNProducts/Downloads/flu\\_products.pdf](http://www.cms.hhs.gov/MLNProducts/Downloads/flu_products.pdf) on the CMS website.

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*I sincerely hope you enjoy the weekend!*

*With best regards ~ Valerie*

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**October 16, 2007**

Medicare Part B Drug Competitive Acquisition Program (CAP): 2008 Physician Election Has Begun

## **Medicare Part B Drug Competitive Acquisition Program (CAP): 2008 Physician Election Has Begun**

The 2008 Physician Election Period for the Medicare Part B Drug Competitive Acquisition Program (CAP) began on October 1, 2007 and will conclude on November 15, 2007. The CAP is a voluntary program that offers physicians the option to acquire many injectable and infused drugs they use in their practice from an approved CAP vendor, thus reducing the time they spend buying and billing for drugs. The 2008 CAP program will run from January 1 to December 31, 2008.

Once a physician has elected to participate in CAP, they must obtain all drugs on the CAP drug list from the CAP drug vendor. Physicians can still continue to purchase and bill Medicare under the Average Sale Price (ASP) system for those drugs that are not provided by the physician's CAP vendor.

Additional information about the CAP is available at the following website:

[http://www.cms.hhs.gov/CompetitiveAcquisforBios/01\\_overview.asp](http://www.cms.hhs.gov/CompetitiveAcquisforBios/01_overview.asp)

The physician election form can be found at the following webpage in the Downloads section. Additional information for physicians can also be found at this site:

[http://www.cms.hhs.gov/CompetitiveAcquisforBios/02\\_infophys.asp](http://www.cms.hhs.gov/CompetitiveAcquisforBios/02_infophys.asp)

The list of drugs supplied by the CAP vendor, including NDCs, is in the Downloads section at:

[http://www.cms.hhs.gov/CompetitiveAcquisforBios/15\\_Approved\\_Vendor.asp](http://www.cms.hhs.gov/CompetitiveAcquisforBios/15_Approved_Vendor.asp)

**Please note that completed and signed physician election forms should be returned by mail to your local carrier. Forms must be postmarked on or before November 15, 2007. DO NOT return forms to CMS offices.**

More detailed information will be available in an upcoming Medicare Learning Network (MLN) Matters Article.

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REMINDER: Web-Based Workshop TODAY Regarding the 2008 Competitive Acquisition Program (CAP)

The Centers for Medicare & Medicaid Services (CMS) and Noridian Administrative Services, LLC (NAS) are offering a web-based workshop on **October 16, 2007 at 2:00 pm (CT)** for physicians electing into the 2008 Competitive Acquisition Program (CAP). During this workshop, NAS Staff will provide tips on filling out the Physician Election Form and will be available to answer questions during a Q & A session. Registration information for this workshop can be found at [https://www.noridianmedicare.com/cap\\_drug/train/workshops/index.html](https://www.noridianmedicare.com/cap_drug/train/workshops/index.html) on the Noridian CAP for Part B Drugs and Biologicals Workshop page.

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Just a Few Mid-Week Items

This message contains information on ~

- **Home Health Pay-for-Performance Demonstration**
- **Medicare Premiums and Deductibles for 2008**
- **Update on Medicaid Tamper Proof Prescriptions**

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**Home Health Pay-for-Performance Demonstration**

The Centers for Medicare & Medicaid Services (CMS) recently announced plans for a home health pay-for-performance demonstration, an important new step in its drive to become a more effective purchaser of quality healthcare. CMS will begin soliciting home health agencies for the project this fall with the actual demonstration performance period to begin **January 1, 2008**. The demonstration will operate for two years in seven states.

“This is yet another example of our continued commitment to provide value-based purchasing initiatives for Medicare beneficiaries in all health care settings. It will support our key goal of achieving better quality of care by rewarding providers on the basis of patient outcomes and efficiency.” said Kerry Weems, Acting Administrator of CMS.

Under the demonstration, home health agencies (HHAs) will be eligible to receive incentive payments if their quality improvement efforts result in the highest performance levels or significant improvements in patient outcomes.

The availability of incentive payments will depend on whether or not the demonstration results in improvements in the quality of care and the actual savings to the Medicare program overall - not just for home health services provided to the patients served under the demonstration.

System wide savings can be achieved when a home health agency prevents a re-hospitalization of the Medicare beneficiary or a further complication stemming from their illness. As the payments will be funded out of Medicare savings, none of the participating organizations will face payment reductions as a result of their participation in the demonstration.

Seven quality measures from the existing Outcome-Based Quality Improvement (OBQI) set will be used to evaluate HHA performance so that HHAs will not have to submit additional data in order to participate.

The measures are:

- Incidence of Acute Care Hospitalization
- Incidence of Any Emergent Care
- Improvement in Bathing
- Improvement in Ambulation/Locomotion
- Improvement in Transferring
- Improvement in Status of Surgical Wounds
- Improvement in Management of Oral Medications

HHAs that agree to participate will be randomly assigned to either a study group or a control group. Those agencies assigned to the study group will have their patients' outcomes monitored over time. Those agencies with the best patient outcomes among participants in their states, or with the highest degree of improvement relative to the previous year, will be eligible for incentive payments.

CMS has selected the following states to provide a nationally representative sample of both HHAs and Medicare beneficiaries who utilize home health services:

- Northeast region: Connecticut, Massachusetts
- Southern region: Alabama, Georgia, Tennessee
- Midwestern region: Illinois
- Western region: California

CMS will be soliciting HHAs in the seven states to participate in the demonstration later this month. Additional information about the demonstration can be found at:  
<http://www.cms.hhs.gov/DemoProjectsEvalRpts/MD/itemdetail.asp?itemID=CMS1189406>.

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**CMS Announces Medicare Premiums, Deductibles for 2008**

The standard Medicare Part B monthly premium will be **\$96.40 in 2008**, an increase of \$2.90, or 3.1 percent, from the \$93.50 Part B premium for 2007. The 2008 amount is the smallest percentage increase in the Part B premium since 2001 and is \$2.10 less than the increase in the premium for 2007.

The 2008 Part B premium of \$96.40 is equal to the amount projected in the 2007 Medicare Trustees Report issued in April. This monthly premium paid by beneficiaries enrolled in Medicare Part B covers physicians' services, outpatient hospital services, certain home health services, durable medical equipment, and other items. Several factors account for the 3.1 percent increase in the premium.

Growth in certain areas of Medicare's fee-for-service program, including growth in home health services, physician-administered drugs, ambulatory surgical center services, durable medical equipment, independent lab and physician's office lab services, as well as growth in the Medicare Advantage program and a rise in other Part B services contributed to the increase. In particular, increases attributed to the Medicare Advantage program reflect the increase in the average risk of enrolled beneficiaries as well as the impact of fee-for-service cost growth on Medicare Advantage county benchmarks.

To read more on this announcement, please go to  
[http://www.cms.hhs.gov/apps/media/fact\\_sheets.asp](http://www.cms.hhs.gov/apps/media/fact_sheets.asp) on the CMS website.

To read notices issued on display at the *Federal Register*, go to the Downloads section at:  
[http://www.cms.hhs.gov/MedicareProgramRatesStats/01\\_Overview.asp](http://www.cms.hhs.gov/MedicareProgramRatesStats/01_Overview.asp) .

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**Update on Medicaid Tamper Proof Prescriptions**

On Saturday, September 29, 2007, President Bush signed the TMA, Abstinence Education, and QI Programs Extension Act of 2007 delaying the implementation date for all paper Medicaid prescriptions to be written on tamper-resistant paper. Under the new law, as of April 1, 2008, all written Medicaid prescriptions must be on tamper-resistant prescription pads.

CMS' guidance on the tamper-resistant law, set forth in an August 17, 2007 State Medicaid Director letter, contains two phases. For the first, a prescription must contain at

least one of the three tamper-resistant characteristics in order to be considered “tamper resistant.” For the second, prescriptions must contain all three characteristics. The two-phased approach will still be in effect. At least one of the three tamper-resistant characteristics is required on April 1, 2008. All three characteristics are required on October 1, 2008.

All other guidance that CMS has issued on this requirement contained in the [State Medicaid Director letter](#) and [Frequently Asked Questions](#) will still apply once it is implemented. More information on the CMS guidance to States can be found on CMS’ [website](#).

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## October 19, 2007

CMS Updates Hospital Outpatient Department Payment Information for Value-Driven Health Care (10-18-07)

### **CMS Updates Hospital Outpatient Department Payment Information for Value-Driven Health Care (10-18-07)**

As part of his commitment to make health care more affordable and accessible, President Bush directed the U.S. Department of Health and Human Services to make cost and quality data available to all Americans. As a first step in this initiative, on June 1, 2006, Medicare posted information about the payments it made to hospitals in fiscal year 2005 for common elective procedures and other hospital admissions. Similar postings of Medicare payment data followed during the year for Ambulatory Surgery Centers (ASCs), Hospital Outpatient Departments, and Physician Services.

On June 20, 2007, August 29, 2007, and September 27, 2007, Medicare updated last year's inpatient hospital, ASC, and physician services data, respectively. We are now presenting an update to last year's hospital outpatient department information. In addition, we are adding a table reflecting outpatient payment data for many Medicare

covered preventive services. The information is being displayed in the same format as last year, updated with calendar year (CY) 2006 data. The posting update may be found at:

[www.cms.hhs.gov/HealthCareConInit/](http://www.cms.hhs.gov/HealthCareConInit/)

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## 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 it was a good week for you. Items this week include information on:*

- **Section 1011 Provider Symposium**
- **CMS Selects First Location for Clinical Laboratory Competitive Bidding Demonstration**
- **CMS Updates Hospital Outpatient Department Payment Information for Value-Driven Health Care (10-18-07)**
- **Latest Version of Medicare Remit Easy Print Now Available!**

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### **Section 1011 Provider Symposium**

The National Section 1011 contractor, TrailBlazer Health Enterprises, is sponsoring a Provider Symposium on **Wednesday, December 5, 2007**. The symposium will take place in Dallas, Texas at the TrailBlazer Auditorium, located in Executive Center III; 8330 LBJ Freeway. The symposium will be held from 9 a.m. - 3 p.m. (CT) and will cover the following topics:

- Provider Enrollment and Related Documents
- Provider / Patient Eligibility and Related Documents
- UARS: The Payment Request System
- On-site Compliance Reviews

Subject Matter Experts (SMEs) will be available to answer provider-specific questions. Registration is required but there is no registration fee. Registration can be accessed through the following link: <http://www.trailblazerhealth.com/section1011>

Seating is limited, so register early! Once the registration is approved, Section 1011 will send a confirmation e-mail to the e-mail address provided upon registration. Contact the Section 1011 Customer Service department at (866) 860-1011 or send an e-mail to [section.1011@trailblazerhealth.com](mailto:section.1011@trailblazerhealth.com) for questions.

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**CMS Selects First Location for Clinical Laboratory Competitive Bidding Demonstration**

The Centers for Medicare & Medicaid Services (CMS) recently announced that it has selected the San Diego-Carlsbad-San Marcos, California metropolitan area as the first of two locations for a competitive bidding demonstration for clinical laboratory services provided to fee-for-service Medicare beneficiaries.

The demonstration, which was mandated by the Medicare Modernization Act of 2003, is designed to determine whether competitive bidding can be used to provide laboratory services under Medicare Part B at fees below current Medicare payment rates, while maintaining quality and access to care. Medicare paid nearly \$6.7 billion to clinical laboratories in 2006.

“CMS is seeking to enhance its role as a prudent purchaser of clinical laboratory services, while maintaining a strong focus on beneficiary access and quality of care,” Acting CMS Administrator Kerry Weems said. “This demonstration uses market-based competition to increase efficiency in Medicare. In this demonstration, Congress is building on the experience of CMS demonstrations for durable medical equipment, which found that competitive bidding can reduce spending, while assuring access and quality.”

A project web page, a public project mailbox, and a project listserv will support ongoing, open communication with the public. CMS has shared the proposed design for the demonstration at various stages of its development with the public. Early in 2004, CMS held the first Open Door Forum (ODF) listening session, followed by another ODF to share the demonstration design report. On July 16, 2007, CMS held a third ODF to walk the public through the draft Bidder’s Package. In addition, the proposed demonstration design was described in an Initial Report to Congress, submitted on April 19, 2006.

The demonstration will include laboratories providing services to beneficiaries enrolled in traditional fee-for-service Medicare and living in the demonstration area.

Part B helps pay for medical services provided by laboratories, physicians, and other practitioners and suppliers, and covers clinical laboratory tests with no cost-sharing by beneficiaries.

A Bidders Conference is planned for **October 31, 2007** in the San Diego-Carlsbad-San Marcos, California metropolitan area to help laboratories providing services to Medicare beneficiaries residing in the demonstration area understand the purpose of the demonstration project and how it will be implemented, as well as answer questions. Additional information is available at:

<http://www.cms.hhs.gov/center/clinical.asp> (click on “Demonstration”).

Beneficiaries and their physicians who order laboratory tests will continue to have a choice among various laboratories competing with each other on the basis of service and quality. Multiple winners will be selected based on bid price, as well as quality, capacity, geographic coverage and other non-price criteria. In addition to the quality standards required by the Clinical Laboratory Improvement Amendments (which apply to all clinical laboratories), terms and conditions for participation in the demonstration will include performance measurement.

Performance measures will include total, transport, and processing turnaround times; total turnaround time for STAT tests; reporting turnaround time for critical values and for public health notification; log-in error rates; and rates of lost specimens. CMS will continue collection of these measures throughout the demonstration to ensure the timely delivery of quality laboratory services.

Currently, CMS sets payment rates for clinical laboratory services under Medicare Part B prior to the start of each year. Although laboratories compete for business on non-price elements, such as quality and service, laboratories do not compete regarding price because Medicare pays every laboratory the same pre-set amounts. Under the demonstration, CMS will pay one single competitively-set price for each test code, but non-winning laboratories will not be permitted to bill Medicare directly.

The demonstration is designed to enable even the smallest local clinical laboratories, which are exempt from bidding, to continue to provide services to Medicare beneficiaries, as opposed to a “winner take all” approach favoring large national laboratories. A small laboratory is defined as one with less than \$100,000 annual Part B revenue for demonstration tests to Medicare fee-for-service beneficiaries in the competitive bidding area. These small laboratories are not required to submit bids but will be paid the competitively set demonstration rates for demonstration tests otherwise paid under the Part B clinical laboratory fee schedule.

At the First Open Door Forum (ODF) the laboratory community requested that CMS include the entire clinical laboratory fee schedule in the demonstration. As a result of this input, CMS modified the demonstration design and it will cover almost all

laboratory tests provided to beneficiaries enrolled in the traditional Medicare program who reside in the demonstration area during the three-year demonstration period. The 303 test codes included in the demonstration represent about 99 percent of all tests paid for by Medicare Part B based on volume and revenue. A few tests were excluded from the demonstration by Congress, including Pap smears and colorectal cancer screening tests, as well as tests furnished by entities that had a face-to-face encounter with the patient, such as physicians testing for their own patients in a physician office laboratory, or hospital outpatient testing.

Beneficiaries who travel outside the area during the demonstration period and require laboratory services will be able to get them from other laboratories in the United States. As is currently the case, laboratories may not bill Medicare beneficiaries for laboratory services covered under the Medicare program.

In designing the demonstration, CMS focused on protecting access to quality laboratory services for all Medicare beneficiaries, including vulnerable groups. In response to public comment, laboratories providing services exclusively to beneficiaries entitled to Medicare because they have end-stage renal disease (ESRD) will not be required to bid. These laboratories will be paid the competitively set demonstration rates for demonstration tests otherwise paid under the Part B clinical laboratory fee schedule. However, tests that are paid as part of ESRD bundled payments are excluded from this demonstration. CMS is adopting the same approach for laboratories providing services exclusively to beneficiaries residing in nursing homes or receiving home health services.

A notice describing the demonstration project, the first selected site, and the date and location of the Bidder's Conference is on display today at the *Federal Register* and will be published on October 17.

Questions about the demonstration can be answered by email to [lab\\_bid\\_demo@cms.hhs.gov](mailto:lab_bid_demo@cms.hhs.gov) or by calling 1-866-613-9348 toll free. Beneficiaries and physicians can call 1-866-613-9348 toll free to report any problems beneficiaries may experience accessing quality laboratory services under the demonstration so appropriate action can be taken immediately.

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**CMS Updates Hospital Outpatient Department Payment Information for Value-Driven Health Care (10-18-07)**

As part of his commitment to make health care more affordable and accessible, President Bush directed the U.S. Department of Health and Human Services to make cost and quality data available to all Americans. As a first step in this initiative, on June 1, 2006, Medicare posted information about the payments it made to hospitals in fiscal year 2005 for common elective procedures and other hospital admissions. Similar postings of

Medicare payment data followed during the year for Ambulatory Surgery Centers (ASCs), Hospital Outpatient Departments, and Physician Services.

On June 20, 2007, August 29, 2007, and September 27, 2007, Medicare updated last year's inpatient hospital, ASC, and physician services data, respectively. We are now presenting an update to last year's hospital outpatient department information. In addition, we are adding a table reflecting outpatient payment data for many Medicare covered preventive services. The information is being displayed in the same format as last year, updated with calendar year (CY) 2006 data. The posting update may be found at: [www.cms.hhs.gov/HealthCareConInit/](http://www.cms.hhs.gov/HealthCareConInit/)

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**Latest Version of Medicare Remit Easy Print is Now Available!**

The latest version of the Medicare Remit Easy Print (MREP) software is now available on the CMS website. This software, which is available for free to Medicare providers and suppliers, can be used to access and print remittance advice information, including special reports, from the HIPAA 835. The accompanying User Guide explains the functionalities and how to implement the software. You can access the latest version of MREP at [http://www.cms.hhs.gov/AccessstoDataApplication/02\\_MedicareRemitEasyPrint.asp](http://www.cms.hhs.gov/AccessstoDataApplication/02_MedicareRemitEasyPrint.asp) on the CMS website.

***What's New with MREP?***

**Corrected Issues ~**

- A change was made so that the third line of header information (Check/EFT #, Date, page #, and the word 'Notice') displays on all subsequent pages of a multiple page MREP Remittance Advice.
- A change was made to display the appropriate sub-heading when generating a print preview or printing from the Claims List tab. When you perform a print preview or print from the Claims List tab, the subheading contains "Claim List" inside the square brackets.

**Informational Issues ~**

- Since changes are being made to the MREP software, the updated Claim Adjustment Reason Codes/ Remittance Advice Remarks Codes file is included with version 2.3 of the MREP software. However, the separate Codes.ini file is provided when the MREP software is distributed.

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*I hope you all enjoy a wonderful weekend ~ Valerie*

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## October 24, 2007

### Updated Information Regarding Bidders Conference for Medicare Clinical Laboratory Services Competitive Bidding Demonstration

**Due to the State of Emergency for California, the Bidders Conference for the Medicare Clinical Laboratory Services Competitive Bidding Demonstration project planned for October 31, 2007 in the San Diego-Carlsbad-San Marcos, California metropolitan area has been postponed.** The Centers for Medicare & Medicaid Services (CMS) selected the San Diego metropolitan area as the first of two locations for a competitive bidding demonstration for clinical laboratory services provided to fee-for-service Medicare beneficiaries. The demonstration, which was mandated by the Medicare Prescription Drug, Improvement, and Modernization Act of 2003, is designed to determine whether competitive bidding can be used to provide laboratory services under Medicare Part B at fees below current Medicare payment rates, while maintaining quality and access to care. The Agency will announce a new date for the conference shortly. Additional information is available at: <http://www.cms.hhs.gov/center/clinical.asp> (click on "Demonstration").

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# Two Items on IPPS Rates and Home Health Case Mix Grouper Software

## **Revised FY 2008 Inpatient Prospective Payment System (IPPS) Rates**

The revised FY 2008 IPPS rates, effective for discharges occurring on or after October 1, 2007, based on the implementation of Section 7 of the "TMA, Abstinence Education, and QI Programs Extension Act of 2007" for FY 2008, are posted on the CMS website at

[http://www.cms.hhs.gov/AcuteInpatientPPS/downloads/Revised\\_FY08\\_IPPS\\_Rates.pdf](http://www.cms.hhs.gov/AcuteInpatientPPS/downloads/Revised_FY08_IPPS_Rates.pdf)

These revised rates and CMS's Implementation of the "TMA, Abstinence Education, and QI Programs Extension Act of 2007" will be detailed in the near future in the Federal Register.

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## **Home Health Case Mix Grouper Software Package and Documentation**

CMS is providing final Home Health Case Mix Grouper Software and Documentation for the home health payment regulation effective January 1, 2008. This final version of the home health case mix grouper software package includes the previously posted written grouper logic/pseudocode (with updates/revisions), readme file, and associated tables. It also includes the grouper program (.DLL) and test cases to be used by agencies developing their own grouper software. The documentation files and software package/test cases are available in the Downloads section at:

[http://www.cms.hhs.gov/HomeHealthPPS/05\\_CaseMixGrouperSoftware.asp](http://www.cms.hhs.gov/HomeHealthPPS/05_CaseMixGrouperSoftware.asp).

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**October 26, 2007**

Your Friday Reading Materials

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

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*Hello everyone ~ I hope you're all doing well. Items this week include information on:*

- **Countdown Underway For Current Medicare-Approved Organ Transplant Centers To Request Certification Under The New Rule**
- *MLN Matters* Special Edition Article on 'Key Medicare News for 2008' now available for Physicians and Other Health Care Professionals
- Important Reminder about Study of Certain DMEPOS Items
- 'Medicare and You' 2008 Handbook
- Study Results from Medicare Project on Bed Sores in Nursing Home Residents
- Flu Shot Reminder

*One important note ~ as you may or may not know, CMS is currently experiencing website problems. Therefore, if the links provided in this e-mail do not work immediately, please try again on Monday. I apologize for any inconvenience.*

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**COUNTDOWN UNDERWAY FOR CURRENT MEDICARE-APPROVED ORGAN TRANSPLANT CENTERS TO REQUEST CERTIFICATION UNDER THE NEW RULE**

All hospital transplant centers currently approved for Medicare participation (approved either under the ESRD Conditions of Coverage or the National Coverage Decisions) **must** submit a request for **new** approval under the Conditions of Participation established by the new regulation that was issued by CMS on March 30, 2007. Your request must be submitted to CMS **by DECEMBER 26, 2007** (180 days from the effective date of the regulation).

**PLEASE NOTE:** If an Organ Transplant Center does **not** submit a request for approval under the new Conditions of Participation **by DECEMBER 26, 2007**, CMS will conclude that the center no longer desires Medicare participation and will begin the process to withdraw Medicare approval.

**There is no application form.** Transplant centers must send a request (e.g. a letter) to CMS with specific information. For a list of all transplant centers covered by the regulation and a listing of the minimum information that must be included in all requests to CMS for approval of your transplant center, please visit our transplant web page at: [www.cms.hhs.gov/CertificationandCompliance/20\\_Transplant.asp](http://www.cms.hhs.gov/CertificationandCompliance/20_Transplant.asp). Transplant centers desiring first time Medicare certification must send a request to CMS with the same

information. This can be done any time the center is ready for initial Medicare certification.

If you have any questions concerning the approval requests, timelines for the regulation, the information that must be submitted with the approval request, or the survey and certification process, please direct your inquiries to Sherry Clark in the Survey and Certification Group at CMS at (410) 786-8476.

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**New from the Medicare Learning Network**

SE0730 – Key Medicare News for 2008 for Physicians and Other Health Care Professionals

<http://www.cms.hhs.gov/MLNMattersArticles/downloads/SE0730.pdf>

**Provider Types Affected:** Physicians and health care professionals and their staff who bill Medicare carriers and/or Medicare Administrative Contractors (MACs)

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**Important Reminder about Study of Certain DMEPOS Items**

As required by the 2003 Medicare Modernization Act (MMA), the Centers for Medicare & Medicaid Services (CMS) has contracted with a research organization, Abt Associates, to study the impact of competitive bidding on Medicare Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS). One of the key issues that this study is designed to address is the effects of competitive bidding on product mix available to beneficiaries.

To study this topic, a survey among a sample of DMEPOS suppliers is now underway. The suppliers who are asked to participate were scientifically selected based on a probability sample of DMEPOS claims. Therefore, if your company has been selected to participate in this study, your cooperation is vitally important! We ask that you also keep in mind that ~

- The survey is easy to complete-- your responses are provided via a secure on-line website and data entry is minimal;
- The survey analysis and report are not examining an individual company's product mix but rather the market's product mix as a whole, as portrayed by the combined responses *from the entire sample*; and
- Answers are confidential.

The research employs a highly valid before/after study design but, as in all surveys, *success depends on having each sample member complete the questionnaire* in order to maximize the reliability of information collected.

Suppliers selected for the survey have received a request to participate from the CMS Privacy Officer, Walter Stone, as well as reminder emails from Abt Associates. This survey is strictly voluntary, and the decision whether to participate and/or the answers given to the survey have no effect on the supplier's business relationship with Medicare.

Suppliers who have not yet responded will begin to receive follow-up calls from Abt Associates, beginning October 26. **For more information about the survey or if you have lost or misplaced your login information, please contact Brenda Rodriguez of Abt Associates at 617-349-2544.**

We gratefully acknowledge and thank you for your cooperation in this effort to develop important information about the effects of Medicare's new competitive bidding program for DMEPOS!

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**Medicare & You 2008 Handbook**

The general "Medicare & You 2008" handbook is now being mailed to people with Medicare and partners who assist people with Medicare. The handbook is available online at <http://www.medicare.gov/Publications/Pubs/pdf/10050.pdf>

"Medicare & You 2008" helps people with Medicare review their coverage options and prepare to enroll in a new plan if they choose. This official government publication contains important information about what's new, health plans, prescription drug plans, and rights for people with Medicare. You can find 48 geographic-specific versions of the handbook on the website listed below, with drug and health plan comparison charts for particular states or regions. These are the versions that will be mailed to people with Medicare in the next few weeks.

The Centers for Medicare & Medicaid Services is encouraging people with Medicare to review their current coverage this fall to see if it will meet their needs in 2008. Now is the time to help people think about the cost, coverage, and customer service that they need in a plan to get the most out of their Medicare.

This year, CMS made a number of improvements to the handbook, including:

- Highlight on preventive services. Includes a checklist for people to take to their doctor to track the preventive services they get.
- Newly designed plan data section for beneficiaries to compare health and prescription drug plans in their area.
- Four main sections: Medicare's Covered Services, Plan Choices, Getting Help, and Finding Plans – each section begins with an introduction page that has a mini table of contents to help the reader navigate and to know what to expect in the section.
- Tabs along page margins to further aid with navigation.
- Quiz at the back of the book to get people thinking about ways to save money and to get the most value from Medicare. Full color cover with photographs to illustrate the diverse Medicare population. More photo's throughout the book to personalize it more.

- New paper that provided millions of dollars in savings.

The State-specific books are online at  
<http://www.cms.hhs.gov/Partnerships/PFP/list.asp#TopOfPage> .

Partners who pre-ordered the handbook through the publications mailing list should receive their books by early this week. Beneficiaries began receiving the book last week and all beneficiaries will have them by November 5th.

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## **BED SORES CAN BE STOPPED WITH PROPER CARE IN NURSING HOMES, MEDICARE PROJECT SHOWS**

A diligent and sustained focus on preventing serious bed sores in nursing home residents was remarkably effective according to the results of a project sponsored by the Centers for Medicare & Medicaid Services (CMS). Results of the project have just been published in the *Journal of the American Geriatrics Society*.

“Reducing pressure ulcers—the clinical term for bed sores—is a priority for CMS and quality improvement organizations (QIOs) nationwide,” said Kerry Weems, acting administrator of CMS. “It is also one of the most important goals of the voluntary *Advancing Excellence in America’s Nursing Homes* campaign, of which CMS is a founding member.

The nationwide project stopped more than two-thirds of the residents’ serious bed sores – a dreaded complication of frailty and disability in old age – in the thirty-five nursing homes that reported data from the project, the paper reports. The improvement materials used in this project are available to anyone interested in improving the care of bed sores, free of charge, on the Medicare Quality Improvement Web site at: [www.medqic.org](http://www.medqic.org) (under the “Nursing Home” tab).

For more information on the voluntary campaign and its eight quality improvement goals, visit [www.nhqualitycampaign.org](http://www.nhqualitycampaign.org).

To read more of the CMS Press Release issued, go to:  
[http://www.cms.hhs.gov/apps/media/press\\_releases.asp](http://www.cms.hhs.gov/apps/media/press_releases.asp) .

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### **FLU SHOT REMINDER**

Flu Season is upon us! Begin now to take advantage of each office visit as an opportunity to talk with your patients about the flu virus and their risks for complications associated with the flu. Encourage them to get their flu shot. It’s their best defense against combating the flu this season. (*Medicare provides coverage of the flu vaccine without any out-of-pocket costs to the Medicare patient. No deductible or copayment/coinsurance applies.*) And don’t forget, health care professionals need to protect themselves also. **Get Your Flu Shot. – Not the Flu.** Remember - Influenza vaccination is a covered Part B benefit. Note that influenza vaccine is NOT a Part D covered drug. For information about Medicare’s coverage of flu vaccine and its administration as well as related educational resources for health care professions, please go to [http://www.cms.hhs.gov/MLNProducts/Downloads/flu\\_products.pdf](http://www.cms.hhs.gov/MLNProducts/Downloads/flu_products.pdf) on the CMS website.

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*I hope everyone has a wonderful weekend ~ Valerie*

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## October 30, 2007

### Medicare Part B Drug Competitive Acquisition Program (CAP): 2008 Physician Election

#### **Medicare Part B Drug Competitive Acquisition Program (CAP): 2008 Physician Election**

The 2008 Physician Election Period for the Medicare Part B Drug Competitive Acquisition Program (CAP) began on October 1, 2007 and will conclude on **November 15, 2007**. The CAP is a voluntary program that offers physicians the option to acquire many injectable and infused drugs they use in their practice from an approved CAP vendor, thus reducing the time they spend buying and billing for drugs. The 2008 CAP program will run from January 1 to December 31, 2008.

Once a physician has elected to participate in CAP, they must obtain all drugs on the CAP drug list from the CAP drug vendor. Physicians can still continue to purchase and bill Medicare under the Average Sale Price (ASP) system for those drugs that are not provided by the physician's CAP vendor.

Additional information about the CAP is available at the following website:

[http://www.cms.hhs.gov/CompetitiveAcquisforBios/01\\_overview.asp](http://www.cms.hhs.gov/CompetitiveAcquisforBios/01_overview.asp)

The physician election form can be found at the following webpage in the Downloads section.

Additional information for physicians can also be found at this site:

[http://www.cms.hhs.gov/CompetitiveAcquisforBios/02\\_infophys.asp](http://www.cms.hhs.gov/CompetitiveAcquisforBios/02_infophys.asp)

The list of drugs supplied by the CAP vendor, including NDCs, is in the Downloads section at:

[http://www.cms.hhs.gov/CompetitiveAcquisforBios/15\\_Approved\\_Vendor.asp](http://www.cms.hhs.gov/CompetitiveAcquisforBios/15_Approved_Vendor.asp)

**Please note that completed and signed physician election forms should be returned by mail to your local carrier. Forms must be postmarked on or before November 15, 2007. DO NOT return forms to CMS offices.**

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## October 31, 2007

A Few Mid-Week Items

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

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*Hello everyone ~ I've already received quite a few news items this week so I thought I would send you a mid-week update, including information on:*

- Several New Items from the Medicare Learning Network 
- Online/Interactive Workshops about the Competitive Acquisition Program (CAP) for Part B Drugs and Biologicals
- Announcement of Project Regarding Electronic Health Records
- Beneficiary-Related Information Regarding Medicare Part D

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### New from the Medicare Learning Network



The following publications can now be ordered from the **Medicare Learning Network** by visiting <http://www.cms.hhs.gov/mlngeninfo> , scrolling down to "Related Links Inside CMS" and selecting "MLN Product Ordering Page":

- The ***Rural Health Bookmark***, which offers Medicare providers, suppliers, and physicians information about rural educational resources.
- ***Medicare Resident, Practicing Physician, and Other Health Care Professional Training Program Bookmark***, which provides information about the Medicare Resident, Practicing Physician, and Other Health Care Professional Training Program.

- The revised *Medicare Resident, Practicing Physician, and Other Health Care Professional Training Facilitator's Kit (July 2007)*, which includes everything that facilitators need to prepare for and present Medicare training courses and contains the following publications:
  - *Medicare Physician Guide: A Resource for Residents, Practicing Physicians, and Other Health Care Professionals*;
  - *Facilitator's Guide*; and
  - A short video presentation.

The revised *Skilled Nursing Facility Prospective Payment System Fact Sheet (October 2007)*, which provides the elements of the Skilled Nursing Facility Prospective Payment System, is now available in downloadable format at

<http://www.cms.hhs.gov/MLNProducts/downloads/snfprospaymtfctsht.pdf>.

The **World of Medicare** web-based training (WBT) course presents the learner with information about the purpose and history of the Medicare program, as well as an overview of Medicare coverage, the roles agencies and contractors play, and the claims handling process. This WBT will also provide information about beneficiary-related topics such as eligibility and benefit options. When the learner completes the course, they should have a general knowledge of the Medicare program. This course is now available with continuing education credits and can be accessed through the “Web Based Training Modules” link at <http://www.cms.hhs.gov/MLNProducts/> under the “Related Links Inside CMS” section of the web page.

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● **Online/Interactive Workshops about the Physician Competitive Acquisition Program (CAP) for Part B Drugs and Biologicals**

Noridian Administrative Services (NAS), the designated carrier for the CAP for Part B Drugs and Biologicals, offers interactive, online workshops about the CAP for Part B Drugs and Biologicals. These workshops train CAP vendors and elected physicians on a variety of CAP topics, and NAS staff can also answer questions. Interested parties may view additional information about and register for these workshops at [https://www.noridianmedicare.com/cap\\_drug/train/workshops/index.html](https://www.noridianmedicare.com/cap_drug/train/workshops/index.html)

Upcoming workshops will be held on the following dates:

- 11/14/07 at 10:00 pm CST
- 12/12/07 at 2:00 pm CST
- 1/15/08 at 2:00 pm CST

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**HHS Announces Project to Help 3.6 Million Consumers Reap Benefits of Electronic Health Records**

In a move that will improve health care for millions of Americans, HHS Secretary Mike Leavitt recently announced a five-year demonstration project that will encourage small to medium-sized physician practices to adopt electronic health records (EHRs).

Conducted by the Centers for Medicare & Medicaid Services (CMS), the demonstration would be open to participation by up to 1,200 physician practices beginning in the spring. Over a five-year period, the program will provide financial incentives to physician groups using certified EHRs to meet certain clinical quality measures. A bonus will be provided each year based on a physician group's score on a standardized survey that assesses the specific EHR functions a group employs to support the delivery of care.

Read the entire press release at <http://www.hhs.gov/news/press/2007pres/10/pr20071030a.html>

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**Beneficiary-Related Information**

**CMS Announces NEW Mailing to people with Medicare who Receive Extra Help**

CMS is working toward a smooth transition to ensure continued prescription drug coverage for all Medicare beneficiaries who received extra help in paying their prescription drug costs in 2007. Specifically, CMS is taking several actions in order to reach out to the beneficiaries receiving the low-income subsidy (LIS) who are facing a change in their Part D premiums in 2008, including providing more information to beneficiaries about these changes via two letters.

This fall, CMS is sending both the blue reassignment letter which was sent last year and a new tan letter to beneficiaries receiving the LIS who selected a plan, but who will be responsible for paying a portion of their plan premium beginning in January 2008 unless they join a new plan.

During the week of October 29, 2007 CMS will begin mailing the following:

**Re-assignment Notices (Blue):** Medicare will mail re-assignment notices to people who qualify for the full extra help and will be reassigned to a new plan in 2008.

Some people will be reassigned because their 2007 Medicare Prescription Drug Plan's premiums are increasing for 2008 (Publication No. 11209). This includes about 1.16 million people who will be moved to a new plan outside their current organization. The reassignment notice they receive will provide information about three options: moving to the new plan, staying in the current plan, or selecting a different plan. Details about their new zero premium plan (including co-payment amount, and yearly deductible) are provided, along with the name of their new organization and a phone number that can be used to get additional information about prescriptions covered, drug coverage rules (like prior authorization), and local pharmacies that can be used. The notice also provides information about the person's current plan, and a list of all the zero premium plans in the area. An additional 965,000 people will be moved to a new plan within their current organization. These people will receive the same reassignment notice described above; the only difference is that the name of their organization may remain the same, even though their plan is changing.

About 1,550 people will be reassigned because their 2007 Medicare Prescription Drug Plans are terminating (Publication No. 11208). This notice specifies that their current plan is leaving and also provides information about their new plan, and alternative options.

All reassignment notices are printed on blue paper and inform beneficiaries that that they will be reassigned to a new plan if they don't tell their current plan they want to stay or join a new plan on their own by December 31, 2007.

**\*\*NEW\*\***

**“Chooser” Notices (Tan):** Medicare will mail chooser notices (Publication No. 11267) to a total of about 442,000 people who qualify for the full premium subsidy and who chose to join a Medicare Drug Plan that was “free” (no premium liability) when they first joined, but whose premium will be above the regional low-income premium subsidy amount by more than \$1 in 2008. To respect individual choice, Medicare does not reassign LIS beneficiaries who joined plans on their own or switched to different Medicare Prescription Drug Plans than the plan Medicare enrolled them in. These letters are printed on tan paper and inform beneficiaries what their out-of-pocket payment will be in 2008, lists the zero premium plans available, and provides a list of important things to think about when considering plan options such as pharmacy networks, drugs covered, and satisfaction with current plan.

The following materials related to these two mailings have been posted to the Limited Income and Resources web page <<http://www.cms.hhs.gov/limitedincomeandresources/>>:

- Guide to LIS Mailings for CMS, Social Security and Plans
- Re-assignment Data of Beneficiary Notifications by state, county and zip code
- Re-assignment Notice Sent to Those with a Plan Not Available in 2008 (blue)
- Re-assignment Notice Sent to Those with a Premium Increase in 2008 (blue)
- Re-assignment Partner Tip Sheet - Information Partners Can Use on: Re-assignment
- Chooser Data of Beneficiary Notifications by state, county and zip code
- Choosers Notice Sent to Those with Drug Cost Changes in 2008 (tan)
- Links to other helpful information, including locating local resources in your area

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*I hope your week is going well. I expect you'll hear from me again on Friday. Until then, best regards ~ Valerie*

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