

## **CAC/PIAC 2013 Annual Meeting Washington D.C. November 8–9, 2013**

**By Dustin Kruse, DPM**

A majority of the meeting was spent covering the topics of the Affordable Care Act, the HELPP act, the sustainable growth rate (SGR), and ICD–10 implementation.

The Affordable Care Act is scheduled to be enacted into law beginning in 2014. The open enrollment period has begun and has been fraught with problems. The state exchanges had significant problems enabling people to sign up. There is significant concern across the country that if people aren't able to enter the exchange due to technical problems there will be a dramatic increase in the uninsured. It is highly recommended that all offices be extremely diligent in checking benefits of patients (at all times) but especially once the ACA is enacted to ensure that patients are actually enrolled in a new plan.

The healthcare exchange has created many new insurance plans many of which offer physician contracts at a significantly reduced rate. Examples have been seen across the country and there is no known way on how to negotiate a better rate. The trend seems to be to accept the offered rate or be excluded from the plan.

The new Medicare fee schedule was to be released late in 2013. The estimated effect on podiatry is a 0% change (not taking into consideration the sustainable growth rate SGR). Relative Value Units (RVU) are being reexamined in order to reduce overpaid services and improve underpaid services. There is a focus on cost reduction with the implementation of the ACA. The notable area for podiatry is the reimbursement reduction on skin graft substitutes. The reimbursement to hospital and offices will be a lump sum for the entire procedure and all grafts will be reimbursed the same; the higher cost grafts will be reimbursed much less than the actual cost.

The value based payment modifier will be introduced for physicians groups of 10+ in 2016 and all physicians in 2017. The reimbursement fee schedule will be set and reimbursement will vary up to a 2% penalty and an unknown percentage of a reward based on performance (variety of measures, such as quality, cost, and use of resources). The reward percentage will be determined once Medicare determines the number of enrollees and the number of individuals being penalized. The formula is

quite complicated and not exactly clear. The performance will be determined from the 2 years prior to the year being evaluated.

SGR reform is gaining momentum. There will likely be a 3–6 month temporary fix again at the end of calendar year 2013 followed by a permanent fix. There are multiple similar bills being proposed, and the bill which has advanced the furthest is HR 2810. This bill repeals the SGR and provides for an annual 0.5 percent update to the physician fee schedule conversion factor for 2014 through 2018 (period of stability). This will then be followed by implementation of performance based reimbursement with baseline updates to be 0.5 percent annually. But actual updates could range from –0.5 percent to +1.5 percent annually.

OIG (the office of the inspector general) believes that the most important provision of the ACA is mandatory compliance programs. There are seven fundamental elements of compliance plans for all provider types: (1) written policies and procedures, (2) compliance professionals, (3) effective training, (4) effective communication, (5) internal monitoring, (6) enforcement of standards, and (7) prompt response. **Each office should establish a compliance officer and begin forming a written compliance plan. Guidance is available on the website ([www.oig.hhs.gov](http://www.oig.hhs.gov)) for compliance for different provider types.**

A major component of the ACA is the non–discrimination language which means that any physician acting within their approved licensure cannot be denied payment if it is appropriate. This is a major advantage for podiatrists as we have seen with Medicaid in Colorado which often limits us from reimbursement for ankle care. The AMA is attempting to remove the non–discrimination clause to benefit allopathic physicians. This act by the AMA has fueled the fight for the HELPP (**Helping Ensure Life– and Limb–Saving Access to Podiatric Physicians**) Act in Washington D.C. **The act will establish podiatrists as “physicians” within Medicare and this would relegate any effects that revoking the non–discrimination clause would have on podiatry.**

Medicare LCD’s (local coverage determinants, i.e. Novitas) will continue to act autonomously across the country. Each LCD is different and therefore approved services will be different across the country but there is a push for more synergy.

Finally ICD-10 is scheduled to implement on 10/1/2014 and there is nearly a 0% chance that there will be another delay; the codes will increase from 12,000 to 68,000. ICD-10 is already being used internationally, and by the time we transition to ICD-10 many countries will be moving to ICD-11. The road-mapping is still being worked on and we will not know the exact codes until April 2014. There is large concern that most carriers are not ready for ICD-10 and there will be a delay in reimbursement accordingly. It is recommended that all practitioners establish a 6 month reserve in finances (cash or bank lines of credit). In order to prepare for ICD-10 all practices should designate a project manager to prepare for implementation. List the top ICD-9 codes which you utilize and cross-walk them to ICD-10. Find out where in your practice you use ICD-9 (superbills, referrals, etc.) and make appropriate changes. Be prepared to continue to use ICD-9 as worker's compensation will continue to use ICD-9. Be technically ready to introduce ICD-10 in June so that October doesn't sneak up on you! APMA's coding resource center will have cross-walk software available specifically for podiatric codes.

Note after the meeting: Aetna Medicare Advantage plans began denying claims or asking for medical records for routine foot care in November. According to Aetna's medical director, this began when Aetna updated software. Aetna is aware of the problem and recommends that providers appeal denied claims so as not to lose appeal rights. If records are requested providers are advised to comply with the requests.

As always the CAC-PIAC section on the APMA website is your first source for any further information.

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