



# GIRS—News Flash

Integrated  
Reimbursement Services

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## *CMS Releases OPPI/ASC Final Rules & Important 2009 Code Sets and Fee Schedule Updates...*



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GIRS—News Flash

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***CMS released the 2009 updates to the HCPCS coding system and its payment rates to physicians, HOPDs, ASCs, home health agencies and more...***

As required to do annually by law, The Centers for Medicare and Medicaid Services (CMS) has published its annual updates to virtually all the Medicare payment systems, regulations, and code sets. The majority of these changes become effective for services provided on or after January 1, 2009. (with the exception of hospital inpatient and ICD-9-CM code set updates effective October 1 of each year).

The recent Medicare payment system and policy updates include the Outpatient Prospective Payment System (OPPS), Ambulatory Surgical Center (ASC), Medicare Physician Fee Schedule (MPFS), and the Medicare Home Health Prospective Payment System (HH-PPS) 2009 update, as well as the Medicare Lab Fee schedule. Code set updates include the Healthcare Common Procedure Coding System (HCPCS) and the CPT® codes.

These Medicare policy, payment rate, and code updates possibly will impact the reimbursement for your products and the associated services to your customers in 2009. GIRS can help its clients determine the changes in payment rates in all relevant settings of care, as well as whether there have been relevant policy or coding changes. GIRS can also help its clients communicate these changes to its customers

The final rule and updates to payment systems are summarized below.

**Outpatient Prospective Payment System/  
Ambulatory Surgical Center Final Rule**

CMS announced the final rule that will implement Medicare payment and policy changes for medical technologies and associated

services in hospital outpatient departments (HOPDs) and ambulatory surgical centers (ASCs) for calendar year 2009.

This final rule:

- includes a 3.6 percent annual inflation update for HOPDs,
- strengthens the ties between the quality of care furnished to Medicare patients in HOPDs and the payments hospitals receive for those services by implementing Value Based Purchasing (VBP), and
- adopts changes to payment policies for HOPDs and ASCs beginning on January 1, 2009.

**GIRS Medicare policy experts can review the coding and payment implications of the final rule for your medical technologies and associated services that are provided to Medicare patients in the HOPD and ASC settings of care.**

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**2009 HCPCS Annual Update**

CMS also released the modifications to the HCPCS code set for 2009. The HCPCS update includes addition, deletions, and revisions to HCPCS codes.

An example of an important coding change was the decision to assign new Q codes to the skin substitute products.

The skin substitute J Codes J7340, J7341, J7342, J7343, J7344, J7346, J7347, J7348, J7349 and C9357 are discontinued effective December 31, 2008. Starting on January 1, 2009, the products identified by these J codes will be billed with a new code series, Q4100 – Q4115.

At the national level, GIRS consultants are tracking the coding changes for several products including skin substitute products . At the local level, we also are monitoring the Local Coverage Determinations (LCDs) for the announcement of the new codes and also to ensure appropriate coverage for our clients' products. GIRS also can educate your customers about the 2009 coding changes.

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**The Medicare Home Health Prospective Payment System (HH-PPS) Notice for calendar year (CY) 2009**

CMS issued a notice to update the Home Health Prospective Payment System (HH PPS) for calendar year (CY) 2009. Medicare payments to home health agencies will increase by an estimated additional \$30 million next year as due to a 2.9 percent increase in the annual market basket calculation of the cost of goods and services included in providing services

**GIRS consultants can review the impact of the updates on your medical technologies that are provided in the home health care setting including non routine supplies.**

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**Medicare Physician Fee Schedule**

On October 30, 2008 CMS issued a final rule for the Medicare Physician Fee Schedule (MPFS) for calendar year CY 2009. The final rules establishes 2009 payment rates and policy changes that will impact services furnished by physicians and non-physician practitioners to Medicare patients.

Effective January 1, 2009 the conversion factor for the MPFS will be \$36.0666. This represents a 5.3 percent decrease from the current 2008 conversion factor of \$38.0870. Although the conversion factor decreases by \$2, as mandated by the Medicare Improvements for Patients and Physicians Act (MIPPA), our review of the final 2009 Medicare Physician Fee Schedule shows Medicare payments will go up by an average of 1.1 percent for 2009.

**GIRS can review the MPFS to identify 2009 fees for the services associated with your products and the impact of these changes.**

**To analyze the impact of the 2009 Medicare changes on your products, please contact GIRS at 901-322-6018 from 8:30 am CST- 5pm CST Monday to Friday . Calls received after hours will be returned the next business day.**

**E-mail requests may be sent to [info@girsinc.com](mailto:info@girsinc.com). Additional information about GIRS services is available at [www.girsinc.com](http://www.girsinc.com).**

*Disclaimer: The information in this document is based on review of payer websites and other news source. This information is current as of November 10, 2008. Payer information is dynamic and must be confirmed frequently.*