



# Newsletter

ISSUE III

QUARTER I 2011

## SPECIAL POINTS OF INTEREST:

- Medicare Competitive Bid
- Timely Filing Requirements

## INSIDE THIS ISSUE:

- **OIG's Work Plan for 2011** 2
- **CMS Delays RAC Implementation** 2
- **Lab Requisition Signature** 2
- **Medicare Preventive Services** 3

## Medicare Competitive Bid

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA) changed Medicare's approach to reimbursing Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) designated suppliers under Medicare Part B. Medicare generally pays 80 percent of the fee schedule payment amount for DMEPOS items used in the home, such as oxygen equipment, walkers, wheelchairs, and hospital beds. Under the Original Medicare Part B, beneficiaries pay the remaining 20 percent. For most of these items, the fee schedule payment amounts are based on historical charges. Under the new DMEPOS Competitive bid program, DMEPOS suppliers compete to become Medicare contract suppliers by submitting bids to furnish certain medical equipment and supplies in the competitive bidding areas (CBAs). The Centers for Medicare and Medicaid Services (CMS)

used these bids to set a single payment amount, which replaced the fee schedule amount as payment for those items.

Round I of the Competitive Bid includes 9 product categories and 9 CBAs. Effective January 1, 2011, Medicare beneficiaries with Original Medicare who use competitively bid items in CBAs must obtain these items from a contract supplier for Medicare to pay, unless an exception applies. According to CMS, the intent of the Competitive Bidding Program is, "to set more appropriate payment amounts for DMEPOS items, which will result in reduced beneficiary out-of-pocket expenses and savings to taxpayers and the Medicare program."

Source: [http://www.cms.gov/DMEPOSCompetitiveBid/04\\_Educational\\_Resources.asp#TopOfPage](http://www.cms.gov/DMEPOSCompetitiveBid/04_Educational_Resources.asp#TopOfPage)

## Timely Filing Requirements....

On March 23, 2010, President Obama signed into law the Patient Protection and Affordable Care Act (PPACA), which amended the time period for filing claims. Claims for services furnished on or after January 1, 2010, must be filed within one calendar year after the date of service. Claims for services furnished before January 1, 2010, must be filed no later than December 31, 2010. Timely filing exceptions include: administrative error, retroactive Medicare entitlement,

retroactive Medicare entitlement involving state Medicaid agencies, and retroactive disenrollment from a Medicare Advantage (MA) plan or Program of All-inclusive Care of the Elderly (PACE) Provider Organization.

Source: [https://www.cms.gov/prospmedicarefeesvc/pmtgen/downloads/health\\_Reform\\_Timely\\_Filing\\_Provider\\_Notice.pdf](https://www.cms.gov/prospmedicarefeesvc/pmtgen/downloads/health_Reform_Timely_Filing_Provider_Notice.pdf)

**GIRS medical technology hotlines can help with claims submission guidance.**

## OIG's Work Plan for Fiscal Year 2011

The Office of Inspector General (OIG) published their Work Plan for Fiscal Year 2011. Among the list of activities, the OIG plans to review:

- Medicare claims with high payments to determine whether they were appropriate
- Coding of Evaluation and Management (E&M) Services
- E&M claims to identify trends in the coding of E&M services
- Payments for E&M Services
- E&M Services during Global Surgery Periods
- Industry practices related to the number of E&M services provided by physicians and reimbursed as part of the global surgery fee
- Outpatient Physical Therapy Services provided by Independent Therapists
- Paid claims data for Medicare outpatient therapy services from 2009 to identify questionable billing patterns
- Excessive Payments for Diagnostic Tests
- Medicare Payments for Claims Deemed Not Reasonable and Necessary
- The appropriateness of providers' use of modifier GY on claims for services that are not covered by Medicare

Source: [http://oig.hhs.gov/publications/workplan/2011/FY11\\_WorkPlan-All.pdf](http://oig.hhs.gov/publications/workplan/2011/FY11_WorkPlan-All.pdf)

## CMS Delays Medicaid RAC Implementation

The Centers for Medicare & Medicaid Services has delayed the proposed April 1st deadline for states to implement their **Medicaid Recovery Audit Contractor (RAC)** programs. CMS is expected to announce the new implementation date later this year in the final rule for the program.

Source: CMS, 2011. Retrieved from <https://www.cms.gov/MedicaidIntegrityProgram/Downloads/6411racdelay.pdf>

**GIRS tracks RAC issues to educate clients and providers**

## Lab Requisition Signatures

In the final rule, CMS finalized its proposed policy to require a physician's or qualified non-physician practitioner's (NPP) signature on requisitions for clinical diagnostic laboratory tests paid under the clinical laboratory fee schedule effective January 1, 2011. A requisition is the paperwork, such as a form, which is provided to a clinical diagnostic laboratory that identifies the test or tests to be performed for a patient. **GIRS has conducted diagnostics specific reimbursement assessments for the U.S. and global markets. In addition, we also operate hotlines for diagnostics.**

Source: AHA News, 2011. Retrieved from [http://www.ahanews.com/ahanews\\_app/jsp/display.jsp?dcrpath=AHANEWS/AHANewsNowArticle/data/ann\\_122110\\_laboratory&domain=AHANEWS](http://www.ahanews.com/ahanews_app/jsp/display.jsp?dcrpath=AHANEWS/AHANewsNowArticle/data/ann_122110_laboratory&domain=AHANEWS)

**GIRS can assist clients with developing and implementing reimbursement strategies for a wide range of diagnostics.**

## Global Integrated Services, Inc.

5100 Poplar Avenue, Suite 2700  
Memphis, TN 38137

Phone: 901-322-6018  
Fax: 901-339-4840  
E-mail: [info@girsinc.com](mailto:info@girsinc.com),  
Website: [www.girsinc.com](http://www.girsinc.com)

**Integrated Reimbursement Consulting Services for Pharmaceutical, Medical Devices, Biotechnology, Surgical Supplies, and Diagnostics products.**



### Key GIRS Services:

- Identify payer mix for target patient population/indications
- Develop coding strategies
- Conduct payer surveys to assess current/future trends
- Determine clinical and cost endpoints of interest to payers for coverage of new products
- Conduct ongoing payer policy monitoring and research
- Conduct payer advocacy to ensure appropriate coverage and payment
- Develop and conduct sales force training
- Support and educate providers
- Provide international reimbursement services
- Help providers appeal denials of coverage for your products

**Important Notice:** Do not print, distribute, edit, or duplicate. This newsletter is for the purpose of providing educational payer trends information for GIRS current and potential clients. It is not intended to increase reimbursement or provide a guarantee to anyone. Coverage and reimbursement are dynamic and change frequently. Every effort will be made to provide the most updated information. This information is current as of April 2011.

## Medicare Preventive Services

The Affordable Care Act has made several changes in Medicare for 2011. The following is an overview of the coming changes that are effective as of January 1, 2011.

### New Yearly Wellness Exam

Previously, Medicare only paid for one wellness exam in the first six months after a member enrolled. Starting in 2011, Medicare will cover two types of physical exams – one when a member is new to Medicare and one each year thereafter.

### Cost of Preventive Services

Medicare beneficiaries will not be required to pay a deductible or coinsurance for most preventive services. Examples of preventive services include testing for diabetes, high cholesterol, and procedures to screen for cancer such as mammograms.

Source: CMS, 2011. Retrieved from [https://www.cms.gov/MLNProducts/35\\_PreventiveServices.asp](https://www.cms.gov/MLNProducts/35_PreventiveServices.asp)

## KEY RECENT ACHIEVEMENTS

1. Opened new office in D.C. Metropolitan area to increase client access to GIRS services
2. Developed effective strategies for the market uptake of a breakthrough radiopharmaceutical resulting in a successful out-licensing agreement
3. Completed three large-scale reimbursement assessments for diagnostics and biologics resulting in effective market access strategies
4. Successfully maintained coverage for an ECM in the Medicare payer market; successfully launched private payer strategies for the same product
5. Successfully developed market access strategies for biologics and diagnostics in E.U., U.S., and Canada.
6. Launched a customized medical technology hotline for a traction device

For client testimonials, visit: <http://girsinc.com/testimonials.html>

## Other Key Tactical GIRS Services:

- Conduct ongoing payer policy monitoring and payer advocacy to ensure appropriate coverage and payment
- Develop and conduct sales force training
- Submit coding applications
- Help providers appeal denials of coverage for their products
- Manage and operate medical technology hotlines to support providers
- Develop Billing Guides and Coding Sheets
- Provide International Reimbursement services
- Develop payer packages/dossiers that include all payer required information— Budget Impact Analysis (BIA) , economic models, and model HTAs
- Conduct pricing studies and competitor market analysis to help price products appropriately
- Develop interactive models for payers and key accounts

**Important Notice:** : Do not print, distribute, edit, or duplicate. This document is for the purpose of providing payer information from publicly available sources to GIRS current and potential clients. It is not intended to increase reimbursement or provide a guarantee to anyone. Coverage and reimbursement are dynamic and change frequently. Every effort will be made to provide the most updated information. This information is current as of February 2011.

*For more information about GIRS services, please contact GIRS at 901-322-6018 from 8:30 am U.S. CST– 5pm U.S. CST Monday to Friday . 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). For information on the GIRS Consulting Team, please visit: [http://www.girsinc.com/about\\_girs.html](http://www.girsinc.com/about_girs.html)*

**DC Metropolitan Office**  
Sajini Thomas, President, GIRS  
6301 Ivy Lane, Suite 700  
Greenbelt, MD 20770

**Memphis Corporate Office**  
Sajini Thomas, President, GIRS  
5100 Poplar Avenue, Suite 2700  
Memphis, TN 38137