MPC, Inc.

January 2016

CELEBRATING 23 YEARS OF EXCELLENCE

MEDICAL PRACTICE CONSULTANTS, INC.

EXERPTS From— Medicare Physician 2016 Fee Schedule

"Incident to" Policy for Calendar Year 2016

In the calendar year 2014 PFS final rule, CMS required that, as a condition for Medicare Part B payment, all "incident to" services and supplies must be furnished in accordance with applicable state law. The definition of auxiliary personnel was also clarified to require that the individual furnishing "incident to" services must meet any applicable requirements to provide such services, including licensure, imposed by the state in which the services are furnished.

In some cases, the physician or practitioner supervising the service is not the same individual treating the patient more broadly. For 2016, CMS is finalizing a proposal to specify that, in those cases, only the supervising physician or practitioner may bill Medicare for "incident to" services. Additionally, CMS is finalizing a proposal to require that auxiliary personnel providing "incident to" services and supplies cannot have been excluded from Medicare, Medicaid, or other Federal health care programs by the Office of Inspector General, or have had their enrollment revoked for any reason at the time that they provide such services or supplies.

CMS stated:

"It has been our position that billing practitioners should have a personal role in, and responsibility for, furnishing services for which they are billing and receiving payment as an incident to their own professional services."

"This is consistent with the requirements that all physicians and billing practitioners attest on each Medicare claim that he or she 'personally furnished" the services for which he or she is billing."

Physician Self-Referral Updates

The physician self-referral law prohibits: (1) a physician from making referrals for certain "designated health services" (DHS) payable by Medicare to an entity with which he or she (or an immediate family member) has a financial relationship, unless the requirements of an applicable exception are satisfied; and (2) the entity from filing claims with Medicare (or billing another individual, entity, or third party payer) for those DHS furnished as a result of a prohibited referral.

New Exceptions:

The rule establishes a new exception to permit payment by hospitals, Federally Qualified Health Centers (FQHCs), and Rural Health Clinics (RHCs) to physicians for the purpose of compensating nonphysician practitioners under certain conditions. It also establishes a new exception to permit timeshare arrangements for the use of office space, equipment, personnel, items, supplies, and other services. CMS believes

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these new exceptions will enhance access to care across all areas and will be particularly helpful in rural and underserved areas.

Updating Physician-Owned Hospital Requirements:

The ACA established new restrictions on physician-owned hospitals, including setting a baseline physician ownership percentage that they cannot exceed and requiring them to state on their websites and in their advertising that they are owned by physicians.

CMS updated the regulations to clarify that a broad range of actions comply with the website and advertising requirements. CMS also finalized conforming changes that better align the regulations to the statute so that the baseline and future calculations of a hospital's physician ownership percentage includes all physicians rather than only those physicians who refer to the hospital. The physician ownership calculation change takes effect on January 1, 2017.

"Write it on your heart that every day is the best day in the year."

– Ralph Waldo Emerson

Today, practitioners face far greater challenges than any other time in history. Maintaining a primary focus on providing quality medical care is not enough anymore. Practitioners must also adhere to a mounting list of rules and regulations that confound procedure and protocol and add complication to an already complex environment. Acronyms such as RAC (Recovery Audit Contractors), MAC (Medicare Audit Contractors), and ZPIC (Zoned Program Integrity Contractors) have never been more important to comprehend. Wise practitioners surround themselves with the support of experienced and knowledgeable advisors who can clarify and simplify the complexities at hand, offering counsel, training, and solutions to these challenging times in healthcare.

As healthcare practices began to experience sweeping changes in the early 1990s, Renee M. Brown, founder of Medical Practice Consultants, Inc. (MPC), saw the physician community develop a need for professionals who could educate and assist them in addressing these vast regulatory and billing changes. Because of this developing need, MPC was formed in 1992. Since its formation, MPC has distinguished itself as one of the leading consulting firms in the Southwestern and Midwestern United States, specializing in providing its healthcare clientele with the guidance and expertise to navigate the complexities of reimbursement and compliance.

Our firm is comprised of carefully selected professionals who are dedicated to helping our clients achieve their goals of compliance in billing, coding, and documentation, which results in a more informed, profitable medical practice.

Because of our widely recognized expertise, MPC has been retained by some of the most prominent healthcare law firms in more than 14 states throughout the U.S., including Oklahoma, Texas, Missouri, Tennessee, and Florida. MPC has advised, trained, and consulted our clients on a vast array of compliance and reimbursement matters – providing them with sensible, straightforward guidance to their questions and solutions to their concerns. Let Medical Practice Consultants navigate your organization in the coming year!