

Health System Reform INSIGHT



Aug. 12, 2010

Given the new direction for the nation's health system, the AMA has developed *Health System Reform Insight* to help you understand the health system reform legislation and what it means to you and your patients.

How reform law program integrity provisions impact your practice: what you need to know and begin to consider

The AMA is continuing its dialogue with the U.S. Department of Health and Human Services (HHS) as it implements many of the new program integrity provisions in the health system reform law. The AMA would like to ensure that HHS' long-term strategies focus on:

- Improving physician education and outreach
- Streamlining the burdensome enrollment process
- Devising targeted strategies to prevent true fraud
- Working to prevent physician and beneficiary identity theft

Below are details on several initiatives being undertaken by the administration to implement the health system reform law program integrity provisions.

Regional summits

The U.S. Department of Justice and HHS are co-hosting regional summits in order to engage and enlist the help of physicians, other providers and beneficiaries to enhance program integrity while also combating fraud. The first regional summit took place in Miami to highlight the work of the Health Care Fraud Prevention and Enforcement Action Teams.

Other activities at the Miami regional summit included a provider specific workshop which, among other things, built in time for provider input and comments on current agency strategies and policies. After the Miami summit, the AMA urged HHS to significantly expand the opportunity at future summits for physicians to provide



Aug. 16:

[Sign up today](#) for the first in a series of AMA webinars designed to help physicians make health information technology work for their practices. The first program will take place from 5 to 6:30 p.m. Eastern time and will cover the final regulations guiding the Medicare and Medicaid electronic health record (EHR) incentive programs and what steps to take so physicians can attest to meaningful use of certified EHR technology.

Aug. 17:

Join AMA Immediate Past President J. James Rohack, MD, and AMA government relations advocacy fellow Nick Rohrhoff at 7 p.m. Eastern time for "The system we will inherit: What does the Affordable Care Act mean for tomorrow's physicians?," a 60-minute program that explains how the health system reform law will affect America's next generation of physicians. [Register today.](#)

direct input on administration program integrity initiatives and learn how physicians can play an essential role in helping the government combat fraud.

The next regional summit will take place Aug. 26 in Los Angeles. Future summits are being planned in Detroit, New York and Philadelphia.

Exception to prohibition on self-referral and mandatory notification and disclosure

As part of the health system reform law, physicians who rely on the in-office ancillary services exception to the prohibition on physician self-referral will be required to inform patients in writing at the time they order magnetic resonance imaging, computed tomography and positron emission tomography that the patient may obtain these services elsewhere.

They must also provide the patient with a written list of those who furnish such services. In the recently released proposed fee schedule rule, HHS issued **proposed** regulations that would require covered physicians to provide the disclosure for services furnished on or after the **effective date of the final regulation which is anticipated to be Jan. 1, 2011**.

Practice-based compliance programs

The health system reform law directs HHS to establish mandatory essential elements of a compliance program that physicians and other providers must have in place as a condition of enrollment in Medicare, Medicaid and other federal health care programs. HHS has not yet issued the essential elements nor the timeline or deadline for the establishment of the core elements by providers. Nonetheless, it is anticipated that elements could include, but not be limited to, employee training, confidential/anonymous hotline, internal audits and designation of a compliance officer.


The agency will look to existing industry standards and will be soliciting input on the essential elements once a proposed regulation is issued. Efforts are underway to harmonize compliance program elements across payers (both government and private) to ensure that physicians do not have multiple (and potentially conflicting) obligations.


NPI and referrals and orders

Physicians who refer or order (with the exception of those who have filed an opt-out affidavit with their Medicare contractor) are required to be enrolled in the Provider Enrollment, Chain, and Ownership System (PECOS) database. This includes physicians who have been enrolled for decades, but are not in the PECOS database.





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All physicians will need to re-enroll if they are not in the PECOS database (or opted-out). Other physicians who never bill Medicare—TRICARE physicians for example—will also need to enroll if they want to continue referring and ordering services for patients who see Medicare doctors.

The original deadline to be enrolled in PECOS was July 6, but due to AMA advocacy, the agency has reverted to a contingency plan. So long as the legal name and national provider identifier (NPI) of physicians who refer or order are listed on claims submitted by those physicians to whom they refer patients, the claims will not be rejected at this time. CMS will announce a date in the future when the edits will become effective.

Up-to-date information on this can be found on the AMA website at www.ama-assn.org/go/regrelief under "Medicare enrollment."

[How Health System Reform Impacts Physicians' Practices](#)

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