American Association of Oral and Maxillofacial Surgeons

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Congress Passes Bill to Repeal SGR, Reform Medicare Physician Reimbursement

On April 14, the Senate voted 92-8 on legislation (HR 2) to permanently repeal the sustainable growth rate (SGR) formula for physician reimbursement under Medicare. The legislation, which passed in the

House on March 26, now goes to President Obama for his signature. The president has already indicated he would sign the bill.

The measure would replace the SGR with an increase of 0.5% in Medicare physician reimbursement starting in July 2015 through December 2015, and then annual 0.5% increases through 2019. It also consolidates various reporting programs, such as the Meaningful Use program for electronic health records and several quality reporting programs, into a new, merit-based incentive payment system, and would incentivize physicians to participate in alternative payment models such as accountable care organizations (ACOs). While the bill retains some aspect of Medicare's fee-for-service model for those who choose not to participate in an alternative payment model, the bill's practical impact on this reimbursement model remains uncertain.

Many stakeholders consider the passage of HR 2 to be the best possible alternative to what has been a continued cycle of temporary short-term fixes on the issue.

Like previous years, CMS held claims for the first 10 business days (through April 14) after the most recent short term patch expired on March 31. CMS will now begin paying those claims at the rates that were in place before the 21 percent cut was scheduled to take effect. The agency has stated they will automatically reprocess any claims inadvertently processed with the 21 percent cut.

HHS Acts to Further Address Opioid-drug Related Overdose, Death, and Dependence

On March 26, Department of Health and Human Services (HHS) Secretary Sylvia M. Burwell announced a targeted initiative to reduce prescription opioid and heroin related overdose, death and dependence. She noted that President Obama's proposed Fiscal Year 2016 budget includes critical investments to intensify such efforts, including $133 million in new funding. Among other things, the initiative will prioritize such training and educational resources as updated prescriber guidelines to assist health professionals in making informed prescribing decisions and address the over-prescribing of opioids. HHS's efforts will also expand upon several initiatives and strategies, while helping health professionals make well-informed prescribing decisions. These include:

- Teaching medical professionals how and when to prescribe opioids by working with lawmakers on bipartisan legislation requiring specific training for safe opioid prescribing and establishing new opioid prescribing guidelines for chronic pain
- Supporting data sharing for safe prescribing by facilitating prescription drug monitoring programs (PDMPs) and health information technology integration and the further adoption of electronic prescribing practices
- Increasing investments in state-level prevention interventions, including PDMPs, to track opioid prescribing and support appropriate pain management.

In conjunction with this effort, the Centers for Disease Control and Prevention (CDC) recently launched the Prescription Drug Overdose Prevention for States program to provide state health departments with resources to enhance their PDMPs and advance innovative prevention efforts. This program will support approximately 16 states in implementing robust prevention programs to improve safe prescribing practices and reverse the prescription drug overdose problem.

Medicine Abuse Project Offers Free Webinar on Prescribers, Patients and Pain

The Medicine Abuse Project (MAP), an action campaign that aims to prevent teens from abusing medicine, has scheduled a special webinar at 12:00 noon Eastern Time, April 29, 2015, to discuss new research findings on the interrelated subjects of prescribers, patients, and pain, as well as opportunities for better prescriber-patient communication. The AAOMS, a member of the MAP, encourages fellows and members to participate. To RSVP and for instructions on how to join, visit the webinar's webpage.

State Affairs

Medicaid Providers Can't Sue to Raise Rates

In a 5-4 decision, the US Supreme Court ruled that healthcare providers may not sue states to raise Medicaid reimbursement rates. The case originated when a provider in Idaho filed a lawsuit against the state's Health and Welfare Department for holding Medicaid reimbursement rates at 2006 levels despite rising costs. In 2011, a US district judge agreed with the providers and ordered the state to raise Medicaid rates, a decision that was also upheld by the 9th US Circuit Court of Appeals in 2013. During the appeals process, the Supreme Court sided with the state, noting that only federal agencies are able to determine whether states comply with federal Medicaid statutes. The ruling will have implications for private parties wishing to bring such suits in the future.

Health Information Technology

Joint Commission Issues Health IT Warning

The Joint Commission has issued a sentinel event alert regarding inherent risks found in health information technology. The Joint Commission cautions that "incorrect or miscommunicated information entered into health IT systems may result in adverse events." According to information submitted by participating hospitals, more than 120 health IT-related sentinel events were reported between January 1, 2010 and June 30, 2010, stemming from issues such as usability issues, workflow and communication, and clinical decision-making support.

Stage 3 Meaningful Use Proposed Regulations Released

CMS has released proposed rules for Stage 3 of Meaningful Use, the final stage of the federal incentive program developed to encourage practitioners to adopt and utilize electronic health records (EHRs). In addition to increased thresholds for the utilization of functions found in EHRs, the proposal will require all Medicare practitioners to operate at the Stage 3 level by 2018, regardless of prior participation in the program. The proposed regulations will also require that a new version of certified EHRs be offered, requiring currently certified programs to be re-certified to meet the revised criteria. The comment period on these regulations runs until May 29, 2015, with final regulations expected before the end of the year.

Practice Management

Provider Electronic Payment Survey

The AAOMS has previously reported on how many health plans are shifting away from using paper checks to reimburse physicians and relying instead on electronic payment through Virtual Credit Cards (VCCs). In order to bolster ongoing advocacy efforts on provider payment issues, the American Medical Association (AMA), American Dental Association (ADA), and Medical Group Management Association (MGMA) are conducting a provider survey seeking information regarding health plan usage of virtual credit cards and Automated Clearing House Electronic Funds Transfers (ACH EFT). Similar to Direct Deposit offered by many employers, ACH EFT is a standard form of payment that enables health plans to deposit claims payments directly into a provider's designated bank account. Due to a federal regulation under the Affordable Care Act, all health plans are required to offer claims payments via ACH EFT upon provider request and may not incentivize the use of nonstandard payment methodologies such as virtual credit cards.

The AMA, ADA, and MGMA are increasingly concerned that some entities are charging excessive fees for these payments or are issuing "virtual" credit cards (VCCs) instead of ACH EFT for payments. VCCs have become increasingly utilized by health plans and some vendors and involve sending to the provider practice (via fax, mail, or email) a single use number that needs to be keyed into a credit card point of sale system in order to receive contractual payments. This payment methodology, which is often implemented without provider notification or choice, results in lost revenue and increased administrative burden for practices.

AAOMS members concerned about their method of reimbursement are encouraged to participate. The survey should take no more than 5 minutes to complete and will strengthen ongoing efforts to protect provider interests surrounding electronic claims payments. The survey will remain open until **May 8**.

CMS Online Resources for ICD-10-CM Implementation

With the implementation of the ICD-10-CM coding system approaching quickly, the CMS is offering online resources to aid providers during the system's implementation stage of ICD-10-CM. Although some of the CMS resources may still state that the ICD-10 implementation date is October 1, 2014, the compliance date is actually October 1, 2015. Following are four available online tools:

- CMS' Introduction to ICD-10-CM: Comprehensive overview that includes tips and transition methods for the preparation and testing for ICD-10-CM.
- Transitioning to ICD-10 Facts Sheet: Provides OMS's with information about ICD-10 and its implementation.
- CMS' Online ICD-10 Implementation Guide: Allows providers to choose practice type and use interactive tools that guide them through the planning and analysis, design and development, testing and implementation of ICD-10.
- CMS' End-to-End ICD-10 testing with providers: During 2015, CMS plans to offer three separate end-to-end testing opportunities, each of which will be open to a limited number of provider volunteers. End-to-End testing dates in 2015 are:
    - April 27- May 1, 2015
    - July 20-24, 2015

For more information on ICD-10 coding and implementation, visit the practice management page of the AAOMS website.

Open Payments Database Temporarily Available for Physician and Teaching Hospital Review

The CMS is inviting physicians, including oral and maxillofacial surgeons, and teaching hospitals to review and dispute, if necessary, information attributed to them on the Open Payments database before the information is made public on June 30, 2015. The Open Payments program requires drug and medical device makers to annually report certain payments made to physicians and teaching hospitals. The database previously included information for only the last five months of 2013; however, it now includes information for all of 2014. It opened to physicians and teaching hospitals on April 6, and will remain open for 45 days. Physicians and teaching hospitals are allowed to dispute data after the information is made public, but resolutions will not appear in the database until the next reporting cycle. For more information, visit the Open Payments Quick Reference Guide or CMS's Open Payment webpage.