

Ohio Medical Group Management Association 2010 Fall Conference Legislative Update

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State of Health Care



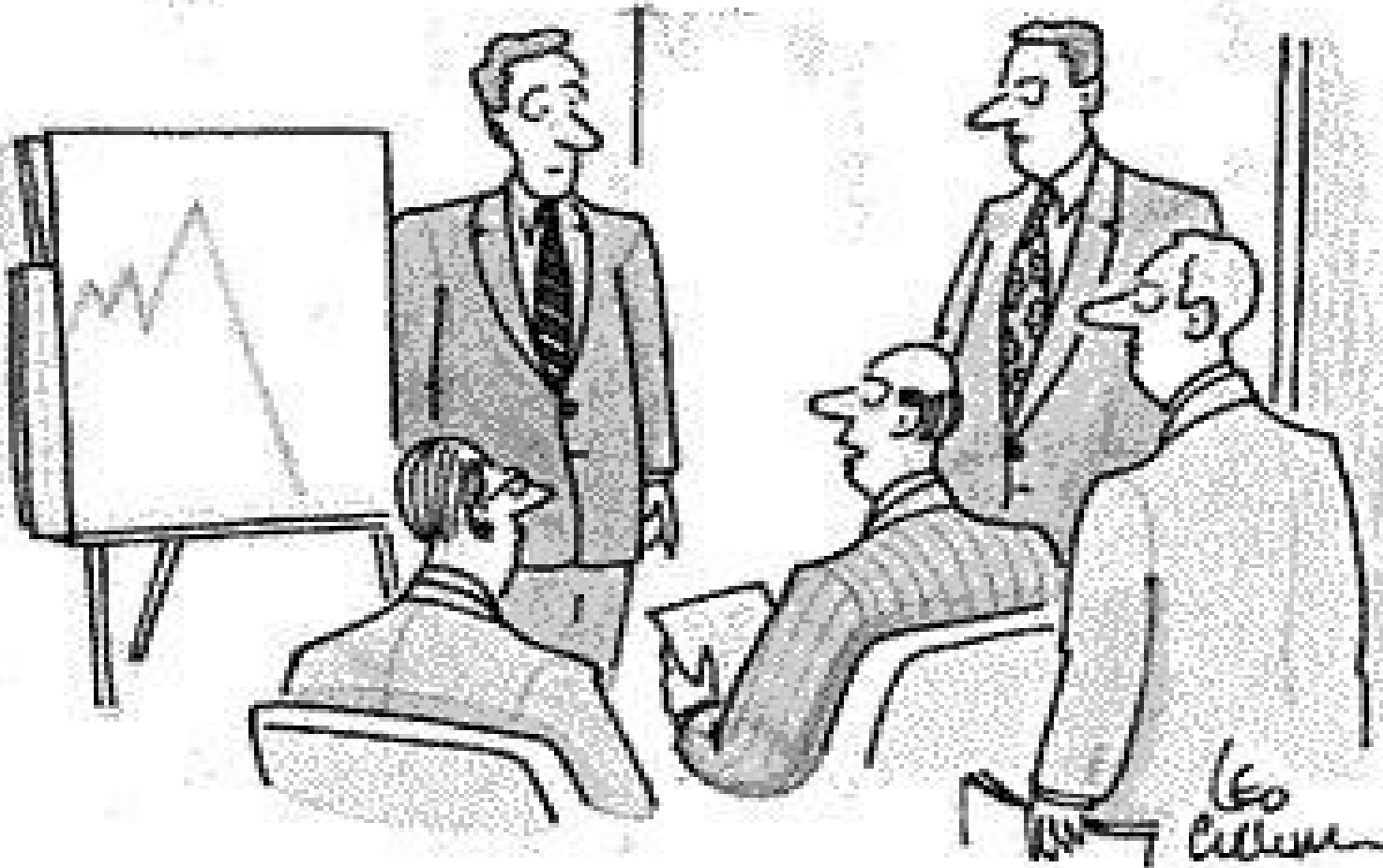
"You can rest assured, Mrs. Keplinger, that your husband Keith will receive the best healthcare known to medical coverage."

The Major Issues Facing Physicians

- Healthcare reform
- Medicare payment rates
- New care delivery models
- “Pay for” initiatives
- Hospital – physician relations
- Health manpower
- EHR and ERx
- Quality and safety
- Administrative complexity

Healthcare reform

- Picture still very murky
- Major objective: insurance for (almost) all
- Paying for it will likely mean:
 - Cuts in provider payment
 - Increases in taxes
- HIT will become mandatory, not optional
- Consolidation / integration will be pushed



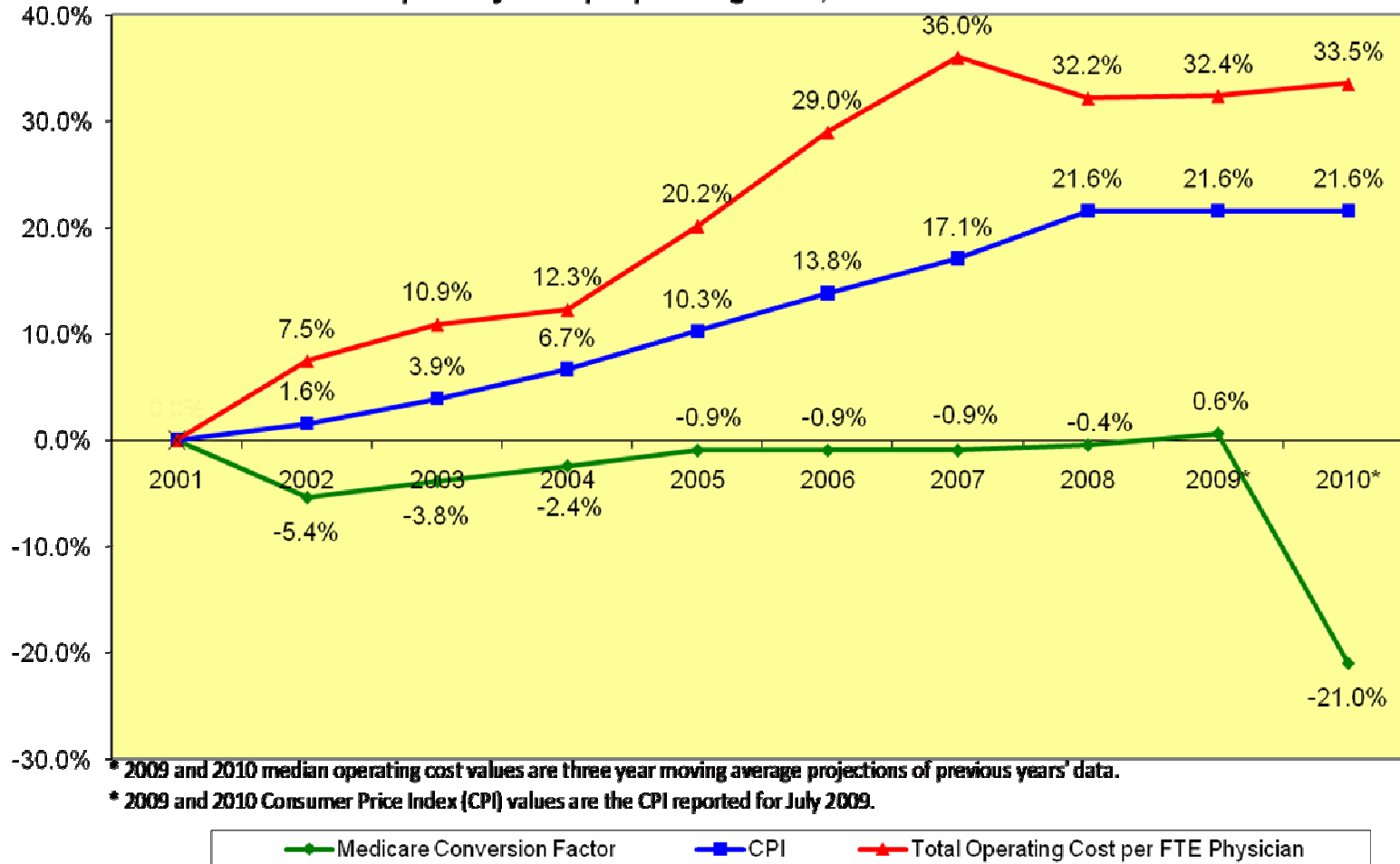
"Wheeler, would you please elaborate on "then something bad happened" ?"

Medicare payments

- After a 1.1% increase in 2010, rates are now higher than they were in 2001---by 1.1%
- Absent Congressional action, rates will be slashed by >20% in 2010---and ~5% / yr. thereafter
- Ripple effects of Medicare on private payers
- What next?
 - Bundled payments
 - Global fees
 - More payment associated with quality measures, E-prescribing, EHR use
 - Multiple SGR caps
 - Payments for medical homes

Medicare Reimbursement Is Not Keeping Up with Costs or Inflation

Cumulative Percent Change Since 2001 for the Medicare Conversion Factor, Multispecialty Group Operating Cost, and the Consumer Price Index



9/17/2010

R. LaFollette - OMGMA Update



"Fill out this tag and attach it to your big toe."

Health Care Reform Ranks High

CHART 7

Health Reform Ranks Somewhat Higher as Voting Issue for Democrats

Of the issues you said would be extremely important to your vote for Congress in November, which one would you say will be most important?

AMONG REGISTERED VOTERS

Most important issue to their vote	All	Dem.	Ind.	Rep.
The economy and jobs	28%	34%	28%	21%
Dissatisfaction with government	15	7	15	22
<i>Health care reform</i>	11	17	8	9
The budget deficit	9	4	12	9
Immigration	6	5	8	6
The war in Afghanistan	5	3	4	7
Energy policy	1	2	2	*
The Gulf Coast oil spill	1	—	1	3

Note: Asked of half sample. None/Other, Not voting, and Don't know/Refused responses not shown.
Source: Kaiser Family Foundation *Health Tracking Poll* (conducted August 16-22, 2010)



Pepper ... And Salt

THE WALL STREET JOURNAL



*"I won't lie to you. There's
some very risky paperwork in-
volved with this procedure."*

New HIPAA Privacy/Security-Enforcement

- Overreaching privacy and security requirements and enforcement could hamper move towards improving patient care and reducing inefficiencies through the use of EHR technology.
- Expanded definition of Business Associates (BAs)
- Compliance with Federal and State Privacy and Security Laws
- Enforcement through informal means – with exception of willful neglect. NO duplicative fines.
- Clearly identify what is minimum necessary standard
- Expand Health care operations to include patient safety
- Provide sample notice that covers all HIPAA requirements, including final HIPAA modifications.
- Restriction of use and Disclosure notification should be patient and not doctors responsibility to subsequent health care providers
- Research, immunization records to schools, access and cost, etc..

CMS issues final rule on DME

- August 26, 2010
 - Sets minimum hours open to public (30hrs)
 - Must have physical facility (200 sq. ft. min)
 - Accessible and staffed. Can't be shared with other Medicare providers (some exceptions)
 - Conduct unannounced inspections
 - Must be licensed to provide service(s) and can't subcontract with 3rd party.
 - Can't use cell phone, pager or answering machine as primary number, etc..

Quality and safety



"Next, an example of the very same procedure when done correctly".

Tax Changes Would Encourage Suits Against Physicians

- MGMA and 90 other medical organizations oppose.
- Policy would allow trial attorneys to deduct litigation expenses from their taxes



"Unfortunately, there's no cure -- there's not even a race for the cure."

New care delivery concepts

- Advanced medical homes
- Retail clinics
- Concierge practices
- Integrated delivery systems (again), now called “accountable care organizations”

Accountable Care Organizations

- October 5, 2010 FTC and CMS will co-host workshop on issues associated with ACO's.
- Intent to help providers develop high quality, lower cost care to their patients. Also comment on legal issues raised by various ACO models.
- <http://www.ftc.gov/opa/2010/09/healthcare.shtm>

“Pay for” programs

- Pay for reporting
 - Hospital quality initiative
 - Physician quality reporting initiative (PQRI)
- Pay for performance
- Using performance to “steer” patients
 - “report cards”
 - tiered networks
 - “designation”



"He's one tough cookie. I've never seen anyone bounce back from an autopsy before."

ICD-10 Implementation in a HIPAA 5010

- Call last Monday September 13
- ICD-10 implementation for services after Oct. 1, 2013
- Tools for converting codes GEMS (general equivalence mappings)
- Proposal: freeze ICD-9 and ICD-10 code updates except for new diseases and technologies
- Compliance dates and timelines for HIPAA ver 5010 (no contingencies!)
- What you need to be doing to prepare and other considerations.
- www.cms.gov/icd10/02c_cms_sponsored_calls.asp#



"Well then it's unanimous."

CMS to host feedback on value based payments

- September 24, 2010 10 AM to 4 PM
 - 2011 Medicare physician payment rule outlined anticipated work in these areas.
 - Goal to have widespread stakeholder involvement to build and expand program and transition to quality payment modifier.
 - MGMA is opposed to this provision without changes
 - www.eventsvc.com/palmettogba/092410



"We structured the deal so it won't make any sense to you."

Physician Strategies for Surviving health care system transformation

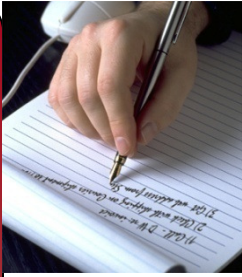
1. Recognize that reform will come not instantly but with a timetable that will range from 2010 to 2015 and beyond
 - Monitor the public discussion
 - Educate your staff and physicians
 - Observe the perspective of payers, government, and providers
 - Evaluate possible responses to the various proposals
2. Assess your practice to insure economic success whether health reform legislation is passed or fails:
 - Increase productivity
 - Enhance efficiency
 - Improve business operations

Physician Strategies for Surviving health care system transformation

3. Review internal data collecting, tracking and reporting procedures and assess current ability to report quality metrics.
4. Invest in health technologies
 - Electronic health records
 - Electronic prescribing systems
 - Patient chronic disease registries
5. Evaluate how new care delivery methods will affect you
 - Patient Centered Medical Home
 - Chronic disease management and monitoring
 - Minute Clinics

Physician Strategies for Surviving health care system transformation

6. Identify best practices that reduce costs and improve quality
7. Evaluate patient population and take steps to strengthen your payer mix, payer contracts, and payer performance
8. Evaluate possible partnerships with hospitals and other medical groups



Questions?

