

# Open Door Forum Newsletter

August 2003  
Volume 2, Issue 7

## Hot Announcements!

CMS has been busy this summer - working the House and Senate conferees on the Medicare modernization legislation and issuing a series of major regulations. Please take note of them and be sure to click the associated links for further details.

### The Numbers Are In!

**5,966** guests visited with the Administrator and CMS Senior Staff in person and via tele-conference during the Open Door during the months of June and July.

Through July 2003, more than **32,857** guests have participated in the forums since October 2001!

Inpatient Rehabilitation Facility Prospective Payment System  
[www.cms.gov/providers/irfpps/](http://www.cms.gov/providers/irfpps/)

Skilled Nursing Facility Prospective Payment System  
[www.cms.gov/providers/snfpps/](http://www.cms.gov/providers/snfpps/)

Home Health Prospective Payment System Rate Update  
[www.cms.gov/providerupdate/regs/cms1473nc.pdf](http://www.cms.gov/providerupdate/regs/cms1473nc.pdf)

Proposed CY 2004 Hospital Outpatient Prospective Payment System  
[www.cms.gov/regulations/hopps/2004p/change2004.asp](http://www.cms.gov/regulations/hopps/2004p/change2004.asp)

Hospital Inpatient PPS Final Rule and FY 2004 Rates / [www.cms.gov/providers/hipps/cms1470f/](http://www.cms.gov/providers/hipps/cms1470f/)

Payment Reform for Part B Drugs / [www.cms.hhs.gov/providers/drugs/AWP\\_NPRM\\_082003.pdf](http://www.cms.hhs.gov/providers/drugs/AWP_NPRM_082003.pdf)

2004 Physician Fee Schedule for Calendar / [www.cms.gov/physicians/pfs/default.asp](http://www.cms.gov/physicians/pfs/default.asp)



## HIPAA Administrative Simplification News

There are less than two months until the October 16 HIPAA transactions and code sets compliance deadline. HHS has received a number of inquiries expressing concern over the health care industry's state of readiness. In response the Department's recently issued guidance on July 24 on its approach to enforcement. This guidance can be found at:  
[www.cms.hhs.gov/hipaa/hipaa2/guidance-final.pdf](http://www.cms.hhs.gov/hipaa/hipaa2/guidance-final.pdf)

CMS encourages entities, as they prepare for the October 16 deadline, to visit our HIPAA administrative simplification website at: [www.cms.hhs.gov/hipaa/hipaa2](http://www.cms.hhs.gov/hipaa/hipaa2). Free tools like our listserves, new list of suggested questions to ask vendors, and other information can be easily accessed and downloaded. Please keep in mind that help on HIPAA compliance is available simply by e-mailing: [askhipaa@cms.hhs.gov](mailto:askhipaa@cms.hhs.gov) or by calling toll-free to: (866) 282-0659.

The Interim Final Rule for Electronic Submission of Medicare Claims was published in the Federal Register on August 15. This interim final rule implements the statutory requirement found in the Administrative Simplification Compliance Act (ASCA). ASCA requires all claims sent to the Medicare Program be submitted electronically starting October 16. The Regulation can be found at: <http://a257.g.akamaitech.net/7/257/2422/14mar20010800/edocket.access.gpo.gov/2003/pdf/03-20955.pdf>



**Information Disclaimer:** The information provided in this newsletter is only intended to be general summary information to the public. It is not intended to take the place of either the written law or regulations.

**Links to Other Resources:** Our newsletter may link to other federal agencies and private organizations. You are subject to those sites' privacy policies. Reference in this newsletter to any specific commercial products, process, service, manufacturer, or company does not constitute its endorsement or recommendation by the U.S. Government, HHS or CMS. HHS or CMS is not responsible for the contents of any "off-site" resource referenced.

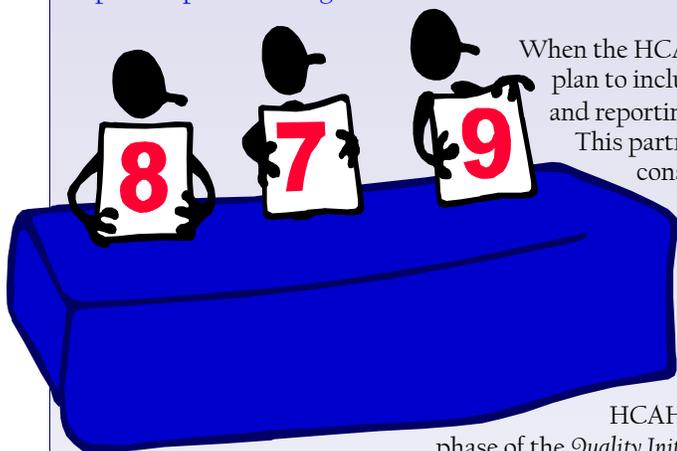


# The Latest on CMS Quality Initiatives

## Hospital CAHPS (HCAHPS) Update

The Department of Health and Human Services (DHHS) hospital public reporting initiative is a key priority for Secretary Tommy Thompson and Centers for Medicare & Medicaid Services (CMS) Administrator Tom Scully. As part of this initiative, we intend to create an instrument and data collection protocol that can be used by hospitals to collect comparable data that can be used in publicly reporting hospital patient perspectives on the care they received. CMS is currently working with the Agency for Healthcare Research and Quality (AHRQ) to develop this standard, to be called HCAHPS. The draft HCAHPS instrument is being tested as part of a CMS three-state hospital pilot (Arizona, Maryland, New York). Data collection has ended for some hospitals in the pilot, while it will be ending by early September for other hospitals included in the pilot.

CMS is thinking through potential implementation strategies. It is our intent to create a process of survey administration that can generate data useful for comparative public reporting and that can be combined with and complement existing survey processes used for quality improvement. With this in mind, we are examining options that will allow us to meet our public reporting goals while allowing some level of flexibility in survey administration. We issued a Federal Register Notice on June 27<sup>th</sup> that sought input from all interested parties on how we might best implement HCAHPS and on the instrument itself. The Notice sought input on options for survey administration, including sampling and data collection method. We requested that those providing suggestions discuss any survey biases that may be present in the approach they suggest (e.g., differential mode effects) and how such biases might be addressed to allow objective and meaningful comparisons between hospitals. We received over 100 comments as a result of this Notice. Additionally, we welcome feedback at any time by sending us an e-mail at [hospitalcahps@cms.hhs.gov](mailto:hospitalcahps@cms.hhs.gov).



When the HCAHPS instrument and survey administration protocol are finalized, we plan to include HCAHPS in a public/private partnership on hospital measurement and reporting called, *The Quality Initiative: A Public Resource on Hospital Performance*. This partnership includes the major hospital associations, government, consumer groups, measurement and accrediting bodies, and other stakeholders interested in reporting on hospital quality. In the first phase of the partnership (which has already begun), hospitals are voluntarily reporting the results of their performance on ten clinical quality measures for three medical conditions: acute myocardial infarction, heart failure, and pneumonia. We are seeing good momentum and interest in the first phase of the *Quality Initiative*. Thus this voluntary strategy also seems appropriate for now for HCAHPS implementation. HCAHPS reporting will become the second phase of the *Quality Initiative*. All of the partners are working closely together to assure a high level of hospital participation in this voluntary initiative.

## Nursing Home Quality Initiative

The next quarterly release of the publicly reported nursing home quality measures on the Nursing Home Compare website ([www.medicare.gov/NHCompare/home.asp](http://www.medicare.gov/NHCompare/home.asp)) happened on Thursday, August 21. The updated quality measures reflect care delivered in the first quarter of 2003. Quality Improvement Organizations (QIOs) continue to be a support and resource to nursing homes with each public release, helping them to better understand and use their quality measure information as they partner together to improve the quality of care. For more information or questions about the nursing home quality measure information and any statewide quality improvement activities, please contact the QIO in your state.

## Home Health Quality Initiative

The national rollout of the Home Health Quality Initiative is scheduled for late Fall of 2003. On October 3 from 1:00-3:30pm, CMS will be sponsoring a national satellite broadcast EDT to provide an overview of the HHQI, information on the quality measures and related OASIS coding, Home Health Compare, roles of the Quality Improvement Organizations and State Survey Agencies, Phase I Lessons Learned, and the national and local rollout events. For more information about the HHQI satellite broadcast and HHQI in general, please view the newly redesigned [www.cms.hhs.gov/quality/hhqi](http://www.cms.hhs.gov/quality/hhqi).

# *Rewarding Superior Quality Care: The Premier Hospital Quality Incentive Demonstration*

CMS is working with Premier Inc., a nationwide organization of not-for-profit hospitals, to implement the Hospital Quality Incentive Demonstration. This demonstration is designed to recognize and provide financial rewards to hospitals that provide superior quality care. The demonstration was announced on July 10.

Through the demonstration, CMS aims for a significant improvement in the quality of inpatient care. The demonstration will identify hospitals that provide superior care by assessing process as well as outcome measures. There are 35 quality measures across five clinical conditions: Acute Myocardial Infarction, Coronary Artery Bypass Graft, Heart Failure, Hip and Knee Replacement, and Community Acquired Pneumonia. The quality measures proposed for the demonstration have an extensive record of validation through research, and are based on work by the Quality Improvement Organizations (QIOs), the Joint Commission on Accreditation of Healthcare Organizations (JCAHO), the Agency for Healthcare Research and Quality, the National Quality Forum (NQF), the Premier system and other CMS collaborators.

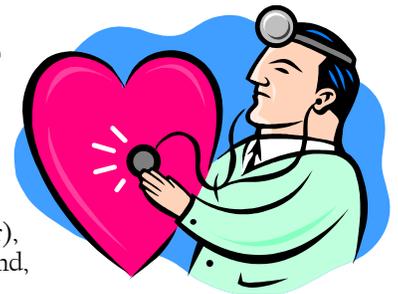
Participating hospitals with quality performance in the top decile (or ten percent) for a given condition will be given a two percent bonus on their Medicare payments and those in the second decile will be given a one percent bonus. By the end of the demonstration, participating hospitals are expected to show improvement. In year three, hospitals that do not achieve performance improvements above demonstration baseline will receive lower DRG payments for measured clinical conditions. The demonstration baseline will be clinical thresholds set at the year one cut-off scores for the lower 9th and 10th decile hospitals.

Operation of the demonstration is scheduled to begin October 1. Premier is currently recruiting hospitals from its Perspective Online quality measurement system to participate in the demonstration. About 300 hospitals are expected to participate in this three-year demonstration.

## *Take a Loved One to the Doctor Day*

Take A Loved One to the Doctor Day is a national event held in conjunction with ABC Radio Networks, Closing the Health Gap, and the Department of Health and Human Services. Last year more than 400 national, state, and, local partners planned local health activities in more than 200 communities across the nation.

The focus of this national event is to encourage individuals to take charge of their health by visiting a health professional (a doctor, a nurse, a nurse practitioner, or another health provider), making an appointment for a visit, attending a health event in the community, or helping a friend, neighbor, or family member do the same.



The Take a Loved One to the Doctor Day event addresses racial and ethnic health issues and has become a key element in the nation's mission to address health disparities. Take A Loved One to the Doctor Day will be held in locations throughout the United States. In Baltimore, the event will take place on September 16, 2003 at the War Memorial Plaza from 10:00 am until 3:00 pm. This citywide health fair will involve the dissemination of educational materials and health screenings for eye, dental, and foot care. Diabetes and blood pressure screenings will also be available. Additionally, CMS' Philadelphia Regional Office will be disseminating information about our Medicare, Medicaid, and SCHIP programs and community-based organizations will provide outreach and education materials on health topics ranging from breast cancer to HIV/AIDS.

We ask that you join us in promoting this event. For more details, please click here: [www.healthgap.omhrc.gov/index.htm](http://www.healthgap.omhrc.gov/index.htm)

## *Workshop on Demonstration Projects Provided*

On June 10, CMS held an on-site workshop for Hispanic American and African American researchers that are interested in developing demonstration projects. Participants obtained information on proposal development, future solicitations, legislative authority, proposal review process, and demonstration evaluation. A number of organizations were represented including, Meharry Medical College, Tennessee State University, Morgan State University, University of the District of Columbia, Howard University, Latin American Cancer Research Coalition, Coppin State University, Council of Latino Agencies, Hampton University, Elizabeth City State University, Tuskegee University, District of Columbia Department of Health (representing the Hispanic / Latino community) and Bowie State University.

## The President's New Freedom Commission on Mental Health

President George W. Bush established the President's New Freedom Commission on Mental Health in April 2002 as part of his commitment to eliminate inequality for Americans with disabilities. The President directed the Commission to identify policies that could be implemented by Federal, State and local governments to maximize the utility of existing resources, improve coordination of treatments and services, and promote successful community integration for adults with a serious mental illness and children with a serious emotional disturbance.

The *Final Report* found here:

[www.mentalhealthcommission.gov/reports/reports.htm](http://www.mentalhealthcommission.gov/reports/reports.htm) conveys the Commission's bold vision for transforming the existing, often intimidating maze of mental health services into a coordinated, consumer-centered, recovery-oriented mental health system. Although barriers stand in the way, with national resolve and leadership, they will be overcome.



Please take a moment to review the report and think of the future. We envision a future when everyone with a mental illness will recover, a future when mental illnesses can be prevented or cured, a future when mental illnesses are detected early, and a future when everyone with a mental illness at any stage of life has access to effective treatment and supports - essentials for living, working, learning, and participating fully in the community.

## We've Got Just the Ticket

CMS website on the "Ticket to Work and Work Incentives Improvement Act of 1999 (TWWIIA)," found here: [www.cms.hhs.gov/twwiia](http://www.cms.hhs.gov/twwiia), provides background and resources for this landmark legislation that modernizes the employment services system for people with disabilities.

CMS recently published proposed rule, titled "Continuation of Medicare Entitlement When Disability Benefit Entitlement Ends Because of Substantial Gainful Activity," that would conform the existing Medicare eligibility regulations to reflect a change made by the TWWIIA.

That statutory change, which was implemented effective October 1, 2000, provides working disabled individuals with continued Medicare entitlement for an additional 54 months beyond the previous limit of 24 months, for a total of 78 months of Medicare coverage following the 15th month of the re-entitlement period. To review the proposed rule in its entirety as well as its commenting instructions, please click here:

[www.cms.hhs.gov/providerupdate/regs/cms4018p.pdf](http://www.cms.hhs.gov/providerupdate/regs/cms4018p.pdf)



## Limits on Therapy Services Fact Sheet for Beneficiaries

The fact sheet, found here: [www.medicare.gov/publications/pubs/pdf/10988.pdf](http://www.medicare.gov/publications/pubs/pdf/10988.pdf), provides details about new limits on Medicare's coverage of physical therapy, speech-language pathology, and occupational therapy services, which become effective September 1. The limits are: \$1,590 per year for PT and SLP combined, and \$1,590 per year for OT.

After you pay your \$100 yearly Medicare Part B deductible, Medicare pays its share (80%) and you pay your share (20%) of the cost up to the limits. In 2003, the limits only apply to therapy services you get between September 1 and December 31. This means that you can get the full amount of the annual limits for this four-month period. If total claims for outpatient therapy are greater than the \$1590 limit, and they are not billed by the outpatient hospital, they will be denied. If you continue to receive services above the limit that are not billed by an outpatient hospital, the provider may bill you for the cost of the services.

The limits generally do not apply to the therapy services you receive at hospital outpatient departments. Medicare should continue to pay for therapy services if you receive them in a hospital outpatient department unless you reside in a Medicare-certified bed in a skilled nursing facility. For a slide presentation for beneficiaries regarding therapy caps and other resources, please click here: [www.cms.hhs.gov/medlearn/therapy](http://www.cms.hhs.gov/medlearn/therapy)

# Quick Shots

## Health Plan Marketing

During our most recent Health Plans Open Door Forum, CMS provided an update in response to comments from some health plans that expressed concern over previous CMS procedures that limited their marketing time during on-air advertising. We are updating Chapter 3 of the Medicare Managed Care Manual ([http://cms.hhs.gov/manuals/116\\_mmc/mc86toc.asp](http://cms.hhs.gov/manuals/116_mmc/mc86toc.asp)) to significantly reduce the number of disclaimers / disclosures required on advertisements. We anticipate that these new requirements will be included in the October update to Chapter 3. Because CMS encourages Managed Care Organizations (MCO) to take advantage of these new requirements for the Fall enrollment campaign, we intend to make these new requirements available through a formal memorandum.

## Streamlined FQHC Enrollment Process



July 14, CMS issued further guidance to its Regional Offices (RO) regarding the streamlined Federally Qualified Health Center (FQHC) enrollment process. The purpose of the letter is to clarify policy regarding the RO approval process for FQHCs. Effective July 15, this revised policy expedites the processing of FQHC enrollment applications and the overall approval process. Specifically, the following changes are to be implemented:

1. United Government Services (UGS), the contracted Intermediary for FQHCs will forward the following required certification documents previously sent out to the applicant by the RO:

- Model letter to FQHC applicant (Exhibit 179);
- FQHC Crucial Data Extract (CDE) (Exhibit 178);
- Attestation Statement for FQHCs (Exhibit 177); and
- § 1861(aa)(4) of the Act and specific FQHC regulations.

2. The applicant will be given instructions on how to fill out RO forms, but instructed not to submit the form CMS-855A, Medicare Provider/Supplier Enrollment Application or the RO paperwork until after they have received the Health Resources Services Administration (HRSA) Grant Award Certificate.
3. The contactor will forward all required completed paperwork including the approved form CMS-855A to the RO.
4. At this point, the process continues as in the past, i.e., the RO completes the CDE form, the CMS-1539, Medicare/Medicaid Certification and Transmittal, generates a CMS- 2007 (Tie-in-notice), and assigns each FQHC (including satellite expansions and mobile units) an identification number after UGS forwards their recommendation to the RO.
5. If after 30 days UGS has not received RO approval, an E-mail will be forwarded to the RO Point-of-Contact (POC).
6. The effective date of approval will be the date the RO signs the agreement after determining that all Medicare requirements, including enrollment requirements, are met.
7. Each RO will have a primary POC for coordination with UGS and Central Office to aide in this expedited FQHC certification process.

A CD-ROM has been developed for the applicant by UGS and will be forwarded to each RO for their reference. The CD-ROM is a supplemental resource provided to the RO for use in the certification process. Please visit the UGS web page here: [www.ugsmedicare.com](http://www.ugsmedicare.com)

## Physician Fee Schedule Look-Up

Along with the recently published 2004 Physician Fee Schedule, CMS invites you visit our Physician Fee Schedule Look-Up ([www.cms.gov/physicians/mpfsapp/default.asp](http://www.cms.gov/physicians/mpfsapp/default.asp)) to view service information, geographic practice cost indices and payment policy.



## Advanced Beneficiary Notice (ABN) Resources

ABN Quick Reference Guide web page at <http://cms.hhs.gov/medlearn/refabn.asp>

During the most recent Ambulance Open Door Forum, CMS announced two ABN resources specific to Ambulance billing issues. The first, titled “The Medicare Ambulance Benefit & Statutory Bases for Denial of Claims, covers statutory definitions as related to “what are” Medical Necessity and technical denials and the second, titled, “Ambulance Transports & ABNs: Informal guidance for Ambulance Suppliers & Providers,” answers questions regarding “when to use and ABN.” To view the resources, please click here: <http://cms.hhs.gov/medlearn/ambabn71603.pdf>



## Hot Instructions!

Please click the blue link for complete transmittals, letters, and change requests

[AB-03-104: Changes to the Laboratory National Coverage Determination \(NCD\) Edit Software for October 1, 2003](#)

[AB-03-106: Third Clarification of Medicare Policy Regarding the Implementation of the Ambulance Fee Schedule](#)

[AB-03-110: Adjustment to the Rural Mileage Payment Rate for Ground Ambulance Services](#)

[AB-03-116: Update of Rates and Wage Index for Ambulatory Surgical Center \(ASC\) Payments Effective October 1, 2003](#)

[AB-03-122: Notice of Interest Rate for Medicare Overpayments and Underpayments](#)

[A-03-058: Change in Methodology for Determining Payment for Outliers Under the Acute Care Hospital Inpatient and Long-Term Care Hospital Prospective Payment Systems](#)

[A-03-066: Hospital Outpatient Prospective Payment System \(OPPS\) Implementation Instructions](#)

[A-03-068: Informing Beneficiaries About Which Local Medical Review Policy \(LMRP\) and/or National Coverage Determination \(NCD\) is Associated with Their Claim Denial](#)

[B-03-046: Provider Education: Establishing New Requirements for ICD-9-CM Coding on Claims Submitted to Medicare Carriers - Increased Role for Physicians/Practitioners](#)

[B-03-049: Additional Instructions to Assist in the Implementation of Program Memorandum B-02-75 - Carrier Review of Payment Amounts for Portable X-Ray Transportation Services \(HCPCS Code R0070\)](#)

[B-03-054: Establishing and Maintaining Provider and Supplier Enrollment Data in Provider Enrollment, Chain and Ownership System \(PECOS\) as Needed for Use by the Railroad Medicare Carrier \(RMC\) to Pay Claims](#)

[B-03-055: Common Working File \(CWF\) Crossover Editing for Durable Medical Equipment, Prosthetics, Orthotics, and Supplies \(DMEPOS\) Claims During an Inpatient Stay](#)

[B-03-057: Additional Guidelines for Implementing the National Council for Prescription Drug Program \(NCPDP\) Format](#)

[B-03-062: Procedures for Non-MSP Overpayments with Original Balances Less than \\$10.00](#)

[S&C 03-12: Coordinated Survey Approach For Critical Access Hospitals Having Multiple Affiliated Providers](#)

[CR 2681 \(CMS Medicare Manual System Pub. 100-8 Program Integrity\): Prepayment edits to prevent payment for noncovered and/or incorrectly coded services and to select targeted claims for review prior to payment](#)

[CR 2592 \(CMS Medicare Manual System Pub. 100-8 Program Integrity\): This transmittal requires contractors to undertake certain activities required to move all LMRPs from \[www.LMRP.net\]\(#\) to the new Medicare coverage database on \[www.cms.hhs.gov\]\(#\)](#)

## Waiver Resource

Just a Reminder! Please be sure click on the map below to obtain the latest documents associated with pending and approved demonstrations and waiver programs and here: <http://cms.hhs.gov/medicaid/waivers/> for descriptions.



## Special Forum Notes

### Thanks!

CMS would like to thank the Association of American Medical Colleges ([www.aamc.org](http://www.aamc.org)) for hosting the July Physician Open Door Forum in New York City's Times Square and the American Society of Cataract and Refractive Surgery ([www.ascrs.org](http://www.ascrs.org)) in Fairfax, VA for hosting the August Physician forum. Their hospitality was *sincerely* appreciated.

### Up Next!

Please stay tuned for the upcoming forums on the road:

-The Nebraska Hospital Association ([www.nhanet.org](http://www.nhanet.org)) will host a Special Critical Access Hospital Open Door Forum in Kearney, NE September 5

-The September 8 Rural Health Open Door Forum will be hosted from Dallas during the CMS Regional Office's Meeting with Region VI State Offices of Rural Health. Participants in Dallas may come to 1301 Young Street, Room 1119 (11th floor), Dallas, Texas. ([www.nrharural.org/nosorh/default.htm](http://www.nrharural.org/nosorh/default.htm)).

-The September 10 Physician Open Door Forum will be hosted by both the Wisconsin Medical Society ([www.wisconsinmedicalsociety.org](http://www.wisconsinmedicalsociety.org)) in Madison, WI and the CMS Philadelphia Regional Office as part of the Region III Annual State Medical Society meeting as guests of the Medical Society of the District of Columbia ([www.msdc.org](http://www.msdc.org))

For any information regarding the CMS Open Door Forum Initiative, please feel free to visit the home-page at: [www.cms.hhs.gov/opendoor](http://www.cms.hhs.gov/opendoor)

