



Reimbursement News You Can Use

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Audits of Medicare Physicians to Go Nationwide This Fall

The Medicare Modernization Act of 2003 established the Medicare Recovery Audit Contractor (RAC) program to identify fraud and waste in the Medicare system. The program, initially launched as a pilot project, has now been made permanent and the Centers for Medicare & Medicaid Services (CMS) will be expanding the program to all 50 states by the end of the year.

Although the California RAC program will be officially rolled out on August 9, CMS has said that physician services will not be targeted for audits until October. Once CMS identifies which services will be targeted, that information will be posted on the RAC website. Audit contractors are expected to focus on companies and individuals whose billings for these Medicare services are higher than the majority of providers in their communities. Auditors cannot request more than 10 patient records from a practice in any 45-day period.

CMA is working closely with AMA to ensure that the program is not overly burdensome for physicians. CMA is also developing a toolkit to help physicians understand the program and, if necessary, navigate the audit process. The toolkit will be available free to members next month.

Health Data Insights, Inc. is the chosen RAC for California (Region D). Access their website at www.healthdatainsights.com.

Blue Shield Fee Schedule Changes

Blue Shield of California recently notified physicians of changes to its standard physician fee schedule that will take effect October 1. In a letter to physicians on August 1, Blue Shield notified physicians that it would be modifying payments levels for many CPT codes, some being increased and others decreased. Physicians are urged to calculate the financial impact the fee schedule changes will have on their practices.

The new rates are available at the Blue Shield website:

<http://www.blueshieldca.com/provider>. If you do not have internet access, you can request the information by fax using the "provider allowance form" that was enclosed with the notice from Blue Shield.

You have the right to terminate an agreement if any "material change" to the contract terms is not acceptable to your practice. If you do not agree with the proposed changes to the Blue Shield contract, you can terminate before the October 1 effective date. Letters of termination can be mailed to: Blue Shield of California, Attn: Senior VP Network Management, 6300 Canoga Ave, 12th Floor, Woodland Hills 91367. If you have questions about the new fee schedule, call Blue Shield Provider Services Department at (800) 258-3091.

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Red Flag Rule Update

The Federal Trade Commission (FTC) recently announced it would again delay enforcement of its new Red Flag Rule, which requires "creditors" - including many physicians - to develop and implement identity theft detection and prevention programs. The new regulations are now scheduled to take effect on November 1, 2009.

According to the FTC, it will also release additional guidance to help "creditors" - particularly small businesses and those with a low risk of identity theft - to understand their obligations under these regulations.

For more information on the Red Flag Rule, and to download a toolkit provided by CMA, sign on to their website at: www.cmanet.org/member.

For questions and reimbursement issues, contact Sandie @ 408/998-8850 ext. 3007 or email sandie@sccma.org.