Medicare Allows NDMS Billing Flexibility

More than two months after taking in patients evacuated from hospitals in southern Louisiana due to Hurricane Gustav, Little Rock area hospitals that participate in the National Disaster Medical System (NDMS) have renewed hope that they’ll be able to recover more of those associated costs. A recent CMS decision provides a little flexibility that ought to ease some previously stringent billing rules which would limit payments for Medicare patients involved in the evacuation.

CMS originally held that Medicare patients, who comprised most of the NDMS evacuation, are subject to the program’s regular transfer policy. So, for patients who were transferred from a Louisiana hospital to an Arkansas facility, and then back to the transferring hospital prior to discharge, only the Louisiana hospital could bill Medicare. Any payment for care provided in the Arkansas hospital would have to be obtained “under agreement” with the transferring Louisiana hospital. That created significant problems when most of the Louisiana patients had to remain in Arkansas hospitals for lengthy stays due to extenuating circumstances.

Last week, the Arkansas Hospital Association (AHA) learned that CMS, via authority granted the HHS Secretary through the Stafford Act, has reconsidered its position. According to a CMS official, “Our policy is that payment is ‘under arrangement’ only for brief evacuations where the patient returns to the originating hospital. In these cases, we believe the patient has only been temporarily moved to another hospital to allow the emergency to subside and it is still responsible for and directing the patient’s care.” It goes on to state, “We have understood that in the AR/LA situation, the evacuating hospital has transferred care to the receiving hospital for an extended stay and the receiving hospital would receive a transfer payment up to the full DRG amount.”

The decision was made despite the fact that Arkansas did not receive a Stafford Act declaration as a disaster area. Medicare allows for such flexibilities outside the scope of a so-called §1135 waiver designating disaster areas, but those are decided on a case by case basis. This is one of those cases. To better define its policies related to the Hurricane Gustav emergency, CMS also provided the AHA with a matrix indicating various patient scenarios during the hurricane and Medicare’s policies regarding payment under those situations. The matrix has been distributed to CEOs of all AHA member hospitals.

Workshops On New Accreditation Program

In September, CMS approved DNV Healthcare (DNVHC), a healthcare accrediting organization, as a recognized Medicare certification program by granting it deeming authority for hospitals. Therefore, any hospital accredited by DNVHC after the approval date is deemed to be in compliance with the Medicare Conditions of Participation (CoP).

DNVHC’s National Integrated Accreditation for Healthcare Organizations (NIAHO) standards integrates requirements for the CoPs with the internationally recognized ISO 9001 Standards for the formation and implementation of Quality Management Systems. ISO 9001 is a quality improvement infrastructure which enables organizations to reach maximum effectiveness and
efficiencies that can lead to improved outcomes, both clinical and financial. Because ISO 9001 is used in manufacturing, many hospital trustees may already be familiar with it.

To introduce Arkansas hospitals to DNV accreditation, the Arkansas Hospital Association (AHA) is offering a four-part audio series in 2009. A brochure and registration form will be distributed to all hospitals soon. The schedule of the dates and topics of each part of the series is:

- January 20  DNV-NIAHO – Links to CMS CoPs
- January 27  NIAHO – Links to ISO 9001
- February 3   Survey Process and Results to Date
- February 10  Current Climate and DNV Capabilities

In addition to this audio series, the AHA will offer several other Webinars on DNV accreditation in 2009. Click on [http://www.dnv.com/focus/hospital_accreditation/index.asp](http://www.dnv.com/focus/hospital_accreditation/index.asp) for more information about DNV.

**AHA Offers Cost-Effective Training**

The Arkansas Hospital Association (AHA), in an effort to reach a varied audience, offers both in-person workshops as well as Webinars and audioconferences. Each month, an “eBulletin” is published to highlight the educational offerings for that month. AHA member hospitals also should periodically check the AHA’s educational events calendar ([http://www.arkhospitals.org/calendar.htm](http://www.arkhospitals.org/calendar.htm)) to view all the educational programs that are scheduled for the year.

In addition to the in-person workshops, which can be found at [http://www.arkhospitals.org/calendareducworkshops.htm](http://www.arkhospitals.org/calendareducworkshops.htm), there are many Webinars and audioconferences that you may access at [http://www.arkhospitals.org/calendaraudio.htm](http://www.arkhospitals.org/calendaraudio.htm). Upcoming topics are: CPT Coding, Compliance Forum, IRS Form 990 Update, 2009 Medicare Conditions of Participation Update, OIG Work Plan, MRSA, A Compliance Series, Life Safety Code Series, Infection Prevention Series, Trustee Education, Outpatient PPS, and more.

**Compensation Limits For Marketing MA Plans**

The Centers for Medicare & Medicaid Services has released an interim final rule aimed at reducing financial conflicts of interest for agents and brokers enrolling beneficiaries in Medicare Advantage (Part C) and prescription drug (Part D) plans, as required by the 2008 Medicare Improvements for Patients and Providers Act.

Effective immediately, the rule modifies a September 18 interim final rule to specify that all compensation paid to agents and brokers must reflect fair-market value based on past commissions and adjusted for inflation for similar products in the same geographic area. Among other changes, the compensation for renewing a beneficiary’s enrollment must equal half of the compensation paid for their initial enrollment. The rule was published in the November 14 Federal Register, with comments to be accepted through December 15. Click on [http://federalregister.gov/OFRUpload/OFRData/2008-27041_PI.pdf](http://federalregister.gov/OFRUpload/OFRData/2008-27041_PI.pdf) to access the rule.
AHA Board Highlights

During its regular monthly meeting on November 14, the Arkansas Hospital Association (AHA) Board of Directors:

- Approved a set of recommendations from the AHA’s Council on Government Relations regarding an association legislative agenda for 2009. Medicaid payment enhancements, trauma care and Any Willing Provider (AWP) are the primary areas of concern.

- Heard a summary of a recent Legislative committee hearing on AWP. The purpose of the hearing was to set the stage for legislation on the matter that is expected to surface during the 2009 Legislative session.

- Discussed the state’s newly implemented Trauma Dashboard, including the various issues related to its use thus far and users’ level of satisfaction. The board was informed there is a drop-down survey that is part of the dashboard which allows users to list problems and issues that arise.

- Heard that AHA president Phil Matthews participated as a panel member in a discussion framed around the topic of Healthcare Reform during a November 13 Healthcare Summit convened by Senator Mark Pryor.

- Learned that a Medicaid outpatient rate increase was not a part of the Governor’s budget recommendations that were released November 13.

- Reviewed the results of the Membership Survey which was conducted during the recent AHA Annual Meeting. The survey showed that members and others who participated have a high level of satisfaction with the AHA.

- Learned that Arkansas Blue Cross officials revealed during a November 4 meeting with the state’s Critical Access Hospitals that the organization is studying a new hospital payment methodology, which could be rolled out in 2009.

- Heard that AHA met with the sheriffs from Faulkner, Pulaski, Union and Baxter Counties and Department of Corrections employees to discuss possible legislation similar to that passed in Kansas which sets the rate for healthcare for county prisoners at the state Medicaid rate and makes the practice of dumping prisoners on a hospital illegal. Those sheriffs are from counties that pay for their prisoners’ healthcare and do not have any agreement from the other sheriffs on this legislation.

- Heard that AHA is working to convince the state Department of Corrections about the need for increased hospital reimbursement. The department’s contractor, Correction Medical Services, has been unresponsive to those efforts thus far.

- Learned that CMS has decided that the state’s hospitals which treated Medicare inpatients who were transferred by NDMS from Louisiana because of Hurricane Gustav may bill Medicare for those services rather than relying on payments “under arrangement” with the transferring Louisiana hospitals.

- Reviewed the current political environment in Washington following the general election and the possible effect it could have on hospitals. Until more of the transition team is in place, it’s difficult to know what President Obama’s healthcare policy agenda will be. The American Hospital Association is currently assigning specific individuals to liaison with incoming federal officials and to keep items important to hospitals listed among priorities for the Obama administration.

- Heard an update and summary about products and services available to AHA members through AHA Services, Inc.
• Discussed a proposed rule by the Department of Defense that would have TRICARE pay Medicare rates for outpatient services. The board agreed this would benefit Arkansas.

• Heard that the American Hospital Association is pushing for implementation of the new ICD-10-CM code sets in 2011 rather than later because the current ICD-9-CM coding system cannot capture the detail necessary to make pay-for-performance programs work as they should. AHA believes that at a time when both Congress and HHS are looking to make significant changes in the way healthcare is delivered and paid for, to begin to measure quality more accurately and to adjust payments to providers based on those measurements, it is critical that those judgments be based on the most accurate information available and the ICD-10 codes are better designed for that purpose.

• Approved applications for AHA membership from Ozarks Community Hospital in Gravette and Arkansas Surgical Hospital in North Little Rock.

Newsnotes About Arkansas Folks

Susan Barrett, president of Mercy Health System of Northwest Arkansas since 1999, announced her retirement effective December 31. “During her tenure, Susan provided leadership in realizing two significant goals: the construction of the new Mercy medical campus and more recently, finalizing an appropriate use of the old St. Mary’s Hospital facility, which will continue to meet community needs as a center for nonprofit organizations. For these and other achievements, we thank Susan for her vision and her leadership,” said Paul Bergant, board chair of Mercy Health System of Northwest Arkansas and executive vice president at J.B. Hunt Transport Services, Inc.

C. C. “Mac” McAllister, CEO of Ouachita Valley Health System in Camden, will retire at the end of the year following a 36-year career in healthcare administration. McAllister, a native of Kentucky, was CEO of Ouachita County Medical Center for 29 years following eight years as associate administrator of Jefferson Regional Medical Center in Pine Bluff. He served as chairman and treasurer of the Arkansas Hospital Association and received the A. Allen Weintraub Memorial Award, the association’s highest honor, in 1994. A reception in his honor will be held December 17 from 2-4 p.m. in the W. K. Green Conference Center at Ouachita County Medical Center.

The AHA Calendar

November 2008
19 IRS Form 990 Update: How Will it Affect Your Corporate Policies? – Webinar #0119
20 AHA Mid-Management Certificate Series: Government Relations 101, Room 138 at the State Capitol, Little Rock
21 Infection Prevention Lunch & Learn – A Three-Part Webinar Series – Part 1: Overview of the Role of the Hospital Manager in Healthcare Associated Infection Prevention

December 2008
2 In God We Trust, All Others Bring Data: How the Best Boards Use Dashboards – Creating Organizational Environments in Which Quality Can Thrive – Webinar
2 2009 CPT Coding Update, AHA Classroom, Little Rock
3 2009 CPT Coding Update, Holiday Inn City Center, Fort Smith
4 Compliance Forum: “Compliance 101: Fundamentals for Staying In Scrubs, Not Stripes,” AHA Classroom, Little Rock