



the Corridor Connection

A Newsletter for members of the Physician Organization of Central Long Island

2004 Physician Fees For North Shore/LIJ Health System Employee Health Plan Remain Uncertain

The two-year agreement between the Health System and its attending physicians to reimburse at 110% of Medicare for physician services instead of at the far lower Empire rates expires on December 31, 2003. As of this writing no new terms have been agreed to, and if there is no agreement physicians who treat employees will see their fees plummet.

The combined Medical Staff leadership from LIJ, North Shore Manhasset, North Shore Plainview and Syosset, as well as POCLI and NSPO, are urging the Health System

administration to take very seriously the potential damaging effects of such a precipitous reduction in fees. With costs for physicians spiraling upward and no relief coming from managed care, physicians least expect to be hurt by their own hospital where the majority of their inpatient practice is maintained. The PO will keep you up to date on this important developing situation.

It is imperative that you share your sentiments on this issue with the Health System leadership. Complete the enclosed petition and fax to our office for forwarding. ▲

Paying For Performance

A Message from the President • Bruce Kappel, M.D.

On September 1, 2003 an article entitled "Pay For Performance" appeared in *Forbes*. "If the government is going to plunge deeper into medical insurance, it should reward providers when they do their job and punish them when they screw up," author David M. Cutler says.

Executives with a healthcare market research firm say that pay-for-performance health plans need to have "meaningful" bonuses in order to be relevant, but that may not be possible until there is greater usage of electronic medical records to measure outcomes and set fair payments. "We need fuller penetration of electronic medical records to pull results out (of patient encounters) and measure outcomes," says John Haughton, M.D., medical director and technical advisor for Med-Vantage, a San Francisco-based consultancy. "But how do you put a number on a payment?"

Last month Aetna announced a pilot program that will steer patients to specialists meeting certain standards of care. This tiered network will consist of physicians in six specialties including cardiology, cardiothoracic surgery, gastroenterology, general surgery, obstetrics/gynecology and orthopedics. Participating physicians were chosen based on cost-efficiency (whatever that means), outcomes, number of procedures performed and rate of adverse

events. Aetna members will have smaller co-pays when visiting these top tier physicians.

The Leapfrog Group, made up of many nationally known companies, is now moving from hospital quality standards measurements to physician settings and are looking at electronic prescription writing as a first step.

So what does this mean to our physician community? In our world of small independent practices the investment in infrastructure to meet some of these new requirements will be enormous. Nonetheless, to ignore the core facts of medical errors that seem to get media play almost every day will lead to peril. The Hospital and Health System will do what is necessary to keep one step ahead. But what about us? I am concerned we will be left behind. Exclusion from networks (even Medicare is now talking about e-prescribing initiatives by 2006) can leave us behind. I want POCLI to take a step forward and vet out possible e-prescribing solutions that we can explore. If you think I am off base please let me know. Quite frankly, I personally am a technophile and have already incorporated some aspects of e-technology into my practice.

Some of our systems are so inadequate that we cannot even perform the basic coding analysis that is required based on the "OIG Reveals 2004 Action Plan" article in this issue. We need to move forward. ▲

Empire Blue Cross Modifies Recoding Program

In an effort to respond to POCLI and NSPO questions about automatic recoding of certain claims, Empire Blue Cross agreed to send an explanatory profile with a comparative display of individual coding patterns versus the norm for his/her specialty to each physician designated to be recoded. In addition, there seems to be a rethinking of the outlier threshold. It is now set at 1% versus

the original 5%. This means that fewer physicians are subject to the recoding program. The Empire website has a listing of the diagnoses that are included in the recoding program. Empire participating physicians are urged to check the web site often (www.empireblue.com) since the diagnosis listing changes. ▲

OIG Reveals 2004 Action Plan To Root Out Fraud E&M Coding & Billing for Consultations Tops List Documentation Audits Continue To Affect PO Members

The recent announcement by the OIG that the government work plan for 2004 will include a review of consultation code assignments only confirms what members have been telling us: audits are being conducted and monetary givebacks are being demanded. **In addition to consultation code assignments, OIG will be focusing on medical necessity for diagnostic tests including nerve conduction studies, "incident-to" billing and the use of modifier -25.**

The managed care plans have also stepped up their audit activity and in some instances the dollar givebacks have been significant. Too many times the physician is left in the uncomfortable position of trying to justify coding assignments that are not supported by the medical record documentation.

In response to this renewed payer audit activity, POCLI will reprise a series of small class learning seminars specifically designed to address E&M level coding assignments. The PO coding experts will offer helpful hints on how to properly and comprehensively document the medical record to allow you to bill the appropriate code.

Even those physicians who feel comfortable with their documentation should review the graphs in this issue and compare their individual practice

E&M Service coding distribution against the national norms. Where there is a variance, at the very least you should audit a number of your own charts to verify the coding assignments. This assumes you really know the documentation requirements of the E&M Service coding. This is part of the normal compliance procedures that you should be following anyway. Once you verify that the documentation is satisfactory you can be comfortable in your variance from your peers' norms.

While each plan may have a different method to perform their audit, the bottom line remains the same - either the practice has the necessary medical record documentation or it does not. The PO has been helpful when the payer incorrectly recodes to a lower level or attempts to change a consult to a new patient visit. Unfortunately, more often than not the E&M Service code level assignment has not been sustainable upon review.

Check the graphs for your specialty against your year to date 2003 experience. Get serious about this before it is too late. If your billing system is unable to perform this simple task you should be asking yourself if it is time to upgrade to a more responsive system. ▲

POCLI Election Results: New Board of Directors

The results of the recent election for POCLI Board of Directors are in. The following physicians are on the new Board:

| | |
|--------------------------|-------------------------|
| Irving Chanin, M.D. | Bruce Kappel, M.D. |
| Michael DiGiovanna, D.O. | Alan Mensch, M.D. |
| Randolph DiLorenzo, M.D. | Abdallah Mishrick, M.D. |
| Jeffrey Goodman, M.D. | Paul Peller, M.D. |
| Michael Greenblatt, M.D. | Paul Pervil, M.D. |
| Jeffrey Haberman, M.D. | Lee Pomeranz, M.D. |
| Jed Hantverk, M.D. | Lewis Rosenberg, M.D. |
| Beresford Jones, M.D. | |

POCLI Member Moves, Changes, Updates, Etc.

Colon & Rectal Surgical Associates of L.I., P.C.

Michael D. Moseson, M.D. • Mark W. Dobriner, M.D. • Barton Hoexter, M.D. • Owen T. Su, M.D.

As we continue to grow in our ability to service the needs of our community, we are pleased to announce two exciting additions to our Practice.

Please join us in welcoming

BORIS SACHAKOV, M.D.

*Practice Limited to Colon & Rectal Surgery and Anorectal Physiology
Fluent in Russian*

*All of our doctors are now available in the Huntington, Long Island area
and we are happy to announce our association with*

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POCLI E&M Coding Seminar

The PO coding experts will be conducting small class seminars designed to address E&M level coding assignments. Learn how to properly document the medical record to allow billing of the appropriate code.

TRAINING →



Where: New Island Hospital
4295 Hempstead Turnpike
Bethpage
(Lower Level Medical Staff Conference Rm)

When: Tuesday, November 18
Monday, December 15
Thursday, January 22

Your choice of one of the above dates

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