

## Dermatology Coding Alert

### Compliance: Make Medicare Status Change Before 2017

**Remember: Participating providers receive five percent higher fees for services.**

As the year draws down to a close, your clinician should make the most important decision about Medicare participation for the calendar year 2017. The Centers for Medicare & Medicaid Services (CMS) requires all physicians, practitioners, and suppliers to make their Medicare participation decision by December 31, 2016.

**Heads up:** According to CMS, an overwhelming majority of physicians, practitioners, and suppliers have chosen to participate in Medicare. During calendar year (CY) 2016, 97.2 percent of all physicians and practitioners are billing under Medicare participation agreements. If you participate and bill for services paid under the Medicare physician fee schedule (MPFS), your Medicare fee schedule amounts are five percent higher than if you do not participate.

CMS is undertaking open enrollment that will allow non-participating providers and suppliers to help become a participating provider for Medicare. All the Medicare administrative contractors (MACs) are sending out post cards to eligible physicians, practitioners, and suppliers that provide information about the open enrollment as well as instructions to get the 2017 MPFS pricing.

#### Understand the Distinction

"Physicians who are 'participating' (PAR) agree to accept Medicare's allowed charge as payment in full for all of their Medicare patients," says **Kent Moore**, senior strategist for physician payment at the American Academy of Family Physicians. "Physicians may elect to be a non-PAR physician, which permits them to make assignment decisions on a case-by-case basis and to bill patients for more than the Medicare allowance (up to the limiting charge) for unassigned claims."

"While PAR physicians must accept assignment on all Medicare claims, Medicare participation agreements do not require physician practices to accept every Medicare patient who seeks treatment from them," Moore says. "Also, Medicare provides a number of incentives for physicians to be 'participating' physicians, including:

- The Medicare payment amount for PAR physicians is 5% higher than the rate for non-PAR physicians.
- Directories of PAR physicians are provided to senior citizen groups and individuals who request them.
- MACs provide toll-free claims processing lines to PAR physicians and process their claims more quickly."

#### Understand What Action Should be Taken

If your physician or other practitioners are already participating or are non-participating providers, and they wish to continue with their current status for the calendar year 2017, then they don't have to take any specific action during the open enrollment period till December 31, 2016. By doing this, your clinician's participating or non-participating status will continue as it was during the calendar year 2016.

However, if your physician or other practitioners wish to change their status from participating to non-participating or from non-participating to participating, then you will have to take suitable action during the open enrollment period following which your clinician's status will change effective January 1, 2017.

**Participating to non-participating status:** If your physician or other practitioners are already participating with Medicare and wish to discontinue their participation, you will need to send a written notice to every MAC that you submit claims to on your provider's letterhead that has information about all credentials (Provider Transaction Access Number [PTAN], National Provider Identifier [NPI], Tax Identification Number/Employer Identification Number/Social Security Number [TIN/EIN/SSN]).

The written notice should provide information about your intent to terminate your participation in the Medicare

participating physician program and to change your status to nonparticipating effective Jan. 1, 2017. This letter with the request to change status to nonparticipating should be duly signed by your clinician or an appropriate delegated official for the NPI.

"Those considering a change in status from PAR to non-PAR should first determine that they are not bound by any contractual arrangements with hospitals, health plans or other entities that require them to be PAR physicians," Moore says.

**Non-participating to Participating status:** "You can refer to the type of form to be filled by finding the information on the CMS website," says **Suzan Hauptman, MPM, CPC, CEMC, CEDC**, senior principal of ACE Med, a medical auditing, coding and education organization in Pittsburgh, Pa. "It will depend on the type of provider (supplier, physician, facility)."

If your physician or other practitioners are currently non-participating with Medicare and wish to change their status to participating, they will need to submit separate copies of the CMS-460 mail form to each MAC that they will be submitting claims to.

The mail form should carry the date on which it has been completed and other details such as legal name, legal business name, address, and all credentials (PTAN, NPI, and TIN/EIN/SSN). The mail form should be duly signed by your clinician or an appropriate delegated official for the NPI.

By completing the mail form, your clinician's status will change from non-participating to participating effective Jan.1, 2017 and you will need to accept assignment for all covered services that you provide to Medicare patients in CY2017.

"Once made, the decision regarding Medicare participation status is generally binding for the entire year except where the physician's practice situation has changed significantly, such as relocation to a different geographic area or a different group practice," Moore notes.

**Resources:** For more information on the topic, check the link at <http://www.aafp.org/practice-management/regulatory/medicare.html>.