

Part B Insider (Multispecialty) Coding Alert

Moratorium On Physician Ownership Of Specialty Hospitals Sunsets

Medicare could lead a new crackdown on your doctor's investments in specialty hospitals (which only treat one type of patients)--if influential Senators get their way.

A moratorium on Medicare enrollment for new physician-owned specialty hospitals will end August 8. At a May 17 hearing of the **Senate Finance Committee**, Senators argued that CMS should regulate these small hospitals. An 88-year-old woman died after back surgery in one of these specialty hospitals, and her relative testified at the hearing.

Proposals: Medicare should require doctors to inform their patients of their financial interests in a single-specialty hospital, urged Finance Committee Chairman **Chuck Grassley** (R-IA).

CMS response: The new "pay for performance" (P4P) system will ensure quality in specialty hospitals, argued **Mark McClellan**, administrator of the **Centers for Medicare & Medicaid Services**. Hospitals won't receive payment for "never events," such as surgery on the wrong body part or transfusing the wrong blood type, McClellan said.

CMS also will make sure the facilities have the ability to provide emergency services and refine the payment system to make sure that physicians can't reap a huge profit by only performing high-paying procedures on healthier patients in specialty hospitals, according to The Hill. But CMS won't extend the moratorium further.