

Part B Insider (Multispecialty) Coding Alert

PART B PAYMENT: New CMS Pilot Program Bundles Physician's Pay With Hospital's

Certain cardiac, orthopedic services targeted first in the 4 participating states

If you think consolidated billing has been difficult to keep up with, just wait for Medicare's latest plan.

CMS announced on May 16 that it plans to launch a new demonstration project that bundles payment for hospitals and physicians- services into one lump sum.

As part of the Acute Care Episode (ACE) demonstration, CMS will assign a global payment amount that combines reimbursement for the Part A and Part B Medicare services that providers deliver during an inpatient hospital stay.

One of the benefits of the plan, CMS says, is to promote -gainsharing,- which lets physicians and hospitals share the financial benefits of implementing certain quality and efficiency improvements.

-The ACE demonstration reflects CMS- ongoing commitment to actively pursuing the best medical care for Medicare beneficiaries through value-based purchasing,- said **Kerry Weems**, CMS- acting administrator, in a statement.

CMS will select one ACE demonstration site per market during the demonstration's first year, and the markets currently include Texas, Oklahoma, New Mexico and Colorado.

Orthopedics, Cardiology Affected

Of note, the procedures that CMS will test using the bundled payment methodology include 28 cardiac and nine orthopedic inpatient surgical services, which CMS selected -because profit margins and volume have historically been high,- according to the agency's May 16 press release announcing the new plan.

How the plan will work at this point is unclear, but the carrier potentially will pay the hospital a single amount and the hospital will then carve out the physician's payment.

-If that ends up being the case, a physician should get an agreement in writing regarding how much they'll get paid,- says **Barbara J. Cobuzzi, MBA, CPC-OTO, CPC-H, CPC-P, CPC-I, CHCC**, president of **CRN Healthcare Solutions**, a coding and reimbursement consulting firm in Tinton Falls, N.J.

-Because the physicians aren't employees of the hospital, they could end up operating like subcontractors in such a scenario.-

To read more on the demonstration program, visit the CMS Web site at www.cms.hhs.gov/apps/media/press_releases.asp, and scroll down to the [May 16 news release](#).