

Part B Insider (Multispecialty) Coding Alert

PHYSICIAN NOTES: CMS Provides \$100,000 For Electronic Records

Family physicians and others may soon have more guidance on moving over to electronic medical records.

In the May 28, 2004 Federal Register, the **Centers for Medicare & Medicaid Services** announced a grant award to the American Academy of Family Physicians for phase one of a project called "Making the Transition From Paper to Electronics in Office-Based Medical Practices." The AAFP wants to develop a low-cost, standardized, secure and open-source version of an electronic health record to providers.

So CMS is providing the AAFP with \$100,000 from June 1 to Nov. 30 to work on developing an electronic record for selected patient groups -- such as ones with diabetes and asthma -- and collecting quality information.

1. **Patients and physicians will be the ones who pay the price** if drug manufacturers report inaccurate data, says the **Association of Community Cancer Centers**, whose member hospitals, physicians and other groups together treat 60 percent of all U.S. cancer patients. But without better guidance from CMS, drug-makers may have little choice.

The ACCC commented June 7 on CMS' interim final rule to require drug manufacturers to report ASP data for Medicare Part B drugs. The association noted that in toughening penalties for drugmakers who misrepresent their ASP amounts, CMS fails to anticipate that some manufacturers may artificially low-ball price calculations.

The result: Inappropriately low payment rates that would prevent most physicians from being able to afford certain cancer drugs. The ACCC predicts "irreparable harm" to oncology providers, unless CMS sets up an exceptions process to let physicians petition for an adequate rate in cases where the ASP plus 6 percent isn't enough to cover costs and administration. CMS also should provide clearer guidance to manufacturers before the next ASP filing deadline; exclude some administrative fees and prompt pay incentives from ASP calculations; and let manufacturers use "smoothing methodologies" in estimating rebates, charge-backs and other delayed information so that pay rates stay predictable, according to the ACCC.

2. **SNFs share the blame for consolidated billing headaches**, according to the **HHS Office of Inspector General**. The OIG audited claims from 1999 and 2000 and found Medicare often paid twice for the same service -- once to a SNF under the Part A prospective payment system and again to a Part B provider. The result was \$108.3 million in overpayments. Even after CMS installed new edits, problems persist, says the OIG. Part B providers can still bill and receive payment before the SNF submits its PPS claims. Contractual arrangements between Part B providers and SNFs could help reduce the problems, the OIG notes.