

## Part B Insider (Multispecialty) Coding Alert

### Physician Notes: Disease Management Comes to Medicare in a Big Way

#### Program will contract with three organizations to improve chronic diabetes and heart disease care

1. Think Medicare doesn't do enough to care for patients with long-term illnesses? The Centers for Medicare & Medicaid Services seems to agree.

Even though Medicare reform legislation calling for more disease management hasn't passed yet, CMS announced it had chosen three organizations to take part in a pilot project to improve care for patients with chronic heart disease and/or diabetes.

The trio will recruit up to 30,000 Medicare beneficiaries in California, Arizona and parts of Louisiana and Texas. CMS will pay for all disease management services and prescription drug costs, even if they don't relate to the beneficiary's chronic health condition.

The three demonstration organizations are Rosemont, Ill.-based CorSolutions; Baltimore-based Diabetex/XLHealth; and Santa Ana, Calif.-based HeartPartners, a collaboration among PacifiCare, QMed, Alere Medical, and Prescription Solutions. The three will test whether disease management and coordination of care really lead to better outcomes in long-term patients with heart disease and diabetes. They'll start enrolling patients by January.

2. If you receive an overpayment demand from your carrier, don't sleep on it. Caremark Therapeutic Services learned that the hard way after Part B carrier Noridian sent it an overpayment demand on March 23, 2000, for more than \$185,000. Caremark sat on it until Oct. 12, 2000, when it asked for a detailed explanation of the overpayment determination and followed up with a written request on Oct. 24.

Caremark had missed a six-month window to respond to the determination. Caremark tried to argue in court that Noridian had a duty to reopen the decision and that it was entitled to a hearing because it had exhausted every other avenue, but the 2nd U.S. Circuit Court of Appeals said Nov. 6 that Caremark's arguments don't wash.

3. Two major Health Insurance Portability and Accountability Act deadlines have come and gone, but many providers still aren't compliant.

That's true not just for the transactions rule, whose Oct. 16 zero hour left most providers behind the eight ball, but also for the privacy rule, whose compliance deadline came and went seven months ago. A new HIPAA survey from the Healthcare Information and Management Systems Society and Phoenix Health Systems found that only 18 percent of providers expected to be fully transactions-compliant by Oct. 16.

As for the privacy rule, about three-quarters of providers say they're compliant - slightly less than the 78 percent who reported that they were in compliance this past spring.