Part B Insider (Multispecialty) Coding Alert

Physician Notes: Reform Bill Calls for Twice-Yearly ICD-9 Updates

A provision that nobody noticed beforehand sneaked into the Medicare reform bill signed by President Bush, and as a result, diagnosis codes could be updated twice a year instead of once a year.

Attendees at a meeting of the ICD-9-CM Coordination and Maintenance Committee, which includes the Centers for Medicare & Medicaid Services, were startled to find out that the new law will require the HHS Secretary to provide for the addition of new diagnosis and procedure codes on April 1 every year. This could mean that starting in fiscal 2005, new ICD-9 codes could go into effect twice a year, every April and October, according to the American Health Information Management Association.

AHIMA officials said they'd work with HHS staffers and industry reps to seek a change from Congress.

A cap on the number of residents that Medicare would support isn't the main reason for a reduction in the number of geriatricians treating the elderly, states the Medicare Payment Advisory Commission in a new report. The Balanced Budget Act of 1997 capped the number of medical residents Medicare would provide for through its direct graduate medical education payment and indirect medical education adjustment. Some policymakers fear that the limit has led to fewer doctors specializing in treating elders.

But MedPAC says other factors explain the reduction in numbers of geriatricians. The problems of the elderly are viewed as "unexciting and irreversible," and geriatricians often have lower income compared to other specialties. So MedPAC doesn't support lifting the caps on residents.

Business has been booming in the world of physician-owned specialty hospitals, but critics have long worried that such hospitals simply bleed off generously reimbursed cases from cash-strapped general acute-care hospitals.

The critics scored a victory in the Medicare reform bill, signed into law Dec. 10. The legislation contains a provision that will make it a lot harder to go forward with new physician-owned specialty hospitals.

To make sure their investment arrangements comply with the Stark physician self-referral law, specialty hospitals typically take advantage of exceptions to the Stark law that relate to physician ownership interests in hospitals and services provided in rural areas.

Thanks to the reform bill, however, those exceptions are now off-limits. While the Stark provision allows existing facilities and facilities under development to continue taking advantage of the exceptions, they won't be available for new specialty hospitals.

The legislation also calls for the Medicare Payment Advisory Commission and the Department of Health and Human Services to study the implications of the emergence of specialty hospitals.