Part B Insider (Multispecialty) Coding Alert

SPECIALTY HOSPITALS: CMS Lets Physician Ownership Cat Out Of The Bag

New ASC rule may cap doctors' payments at office rates

If your physicians own or operate a specialty hospital, they could find themselves specializing in trouble.

In the wake of the scandal of the Texas hospital that called 911 for a patient who was having an emergency (see PBI, Vol. 8, No. 6), the **Centers for Medicare & Medicaid Services** (CMS) has issued guidance saying all hospitals must have emergency care facilities. Even if your doctor's specialty hospital doesn't have an emergency department, it must be able to appraise an emergency patient, provide initial treatment, and refer the patient where appropriate, CMS said in a Survey and Certification letter.

-Medicare Conditions of Participation (CoPs) do not permit a hospital to rely upon 911 services as a substitute for the hospital's own ability to provide these services,- CMS said.

Written notice: Also, CMS could soon require all hospitals to let patients know in writing if they don't have a physician on staff 24 hours a day, according to the inpatient prospective payment rule, issued April 13. And starting next year, CMS may require hospitals to disclose to patients whether they have any physician ownership, including the names of any physician owners. Also, doctors would have to notify patients of their ownership interest in a hospital whenever they referred patients to it.

Already, CMS will be requiring hospitals to report on their physician investments, and any payments they make to physicians.

ASC rule on the way: CMS promised it would issue a final rule on changes to the Ambulatory Surgery Center (ASC) payment system by this summer. Last summer, CMS proposed to bring ASC payments more in line with outpatient hospital payment amounts. CMS also proposed to cap physician payments in the ASC at the non-facility rate for services that doctors often perform in the office. The new ASC system will take effect in January, CMS said.