

Attention Medical Practice Staff: Medicare Changes the Rules for Credentialing and Retro-Billing

☒ A typical standard operating procedure in many practices when adding a new physician is to phase in his/her schedule as s/he becomes credentialed by each payer. Traditionally, new physicians have been able to see Medicare patients immediately due to the Medicare guideline that allowed for a practice to retro-bill for Medicare patients seen before (up to 27 months, actually) the doctor was officially credentialed.

Now all that has changed, and starting April 1, 2009, practices can only retro-bill for Medicare patients seen 30 days prior to the date the credentialing form was filed (if it was ultimately approved.) What are the implications of this?

- Whether they are salaried or on productivity, new physicians need to ramp up their practices as quickly as possible. If they are in the practice ready to work, but cannot see patients, time and money is wasted.
- Many practices spend considerable dollars introducing new physicians to the community. Because of the difficulty of determining a date when all the paperwork will fall into place (state license, hospital privileges, DEA number, malpractice coverage), trying to time the marketing campaign to coincide with credentialing completion and the ability to see new patients can be challenging. Referrers and their staff can become disenfranchised when a new doctor is not ready to schedule any of their patients.
- Some practices will elect to see patients at no charge,

both to provide needed care, and to begin establishing their practice. If a practice chooses to do this, the implications of this decision must be considered: the potential confusion to the patient and the information seeping into the community that the new physician will see patients at no charge.

- Some practices will elect to minimize the loss by having new physicians spend time in the community meeting potential colleagues and referrers, or in the case of surgeons, assisting colleagues in surgery. New physicians can also spend time giving talks and going with colleagues to satellite clinic locations or volunteer clinics.
- Remember that new physicians can see self-pay patients immediately. The skill is to have a great front-end collections program in place (note: I'm writing a book on this as we speak) to work with the patient on designing a payment plan to meet their needs.

MGMA and the AMA have produced an **excellent tool** for their members to navigate the new protocols for credentialing, and the new online system now available for physician practices. The CMS system called PECOS (Provider Enrollment, Chain and Ownership System) or PECOS Web is available for enrolling or changing individual or group information.

In addition to the retro-billing component for new and re-enrolling physicians, doctors are also required to alert Medicare contractors of a change in practice location within 30 days. Failure to do so may result in expulsion from eligibility to see and be paid for Medicare patients for up to TWO YEARS. I'm sure this is a direct action on the part of CMS to combat fraud, but... listen to this **story reported by Chris Silva of amednews.com**:

The harsh penalty of revocation is familiar to Erastus Smith, MD, an internist in Sanford, N.C. He said he was burned by the Medicare program in 2008 when his billing privileges were

revoked for 5½ months after it was discovered he mistakenly had been assigned two National Provider Identifiers by CMS. The development was a huge setback for the solo physician, who estimates that 40% to 60% of his business is based on Medicare pay. As a result of losing his billing privileges, Dr. Smith said his life insurance policy was canceled when he no longer could make payments and his credit rating went down. He also had to give up his receptionist of 26 years because he no longer could afford to pay her. Dr. Smith is once again billing Medicare, but the experience has made him exceedingly wary. He is renovating a new office space across town that he hopes to move into soon, but he's fearful that any filing error connected to the move could have results similar to last year's disaster.

To Recap:

- If you have a new physician coming (or even if you don't, you will sometime in the future), get familiar with the changes in Medicare credentialing now.
- Make sure you have a good system in place to communicate between credentialing staff, schedulers and billers, so everyone knows what payer-patients the new physician is seeing every step of the way, and if those payers are being billed.
- If the new physician is going to see patients at no charge, make sure everyone in the practice and the patients understand the special circumstances and can explain the situation to others.
- Check on the CMS phone call on April 30, 2009, or download the call later (info below.)

April 30, 2009 – CMS Conference Call on Medicare Provider Enrollment

On Apr. 30, the Centers for Medicare & Medicaid Services (CMS) will hold a special Open Door Forum from 2:00 to 3:30 PM ET to discuss Internet-based

Provider Enrollment, Chain and Ownership System (PECOS), as well as the implementation of changes to Medicare provider enrollment as announced in the 2009 Medicare physician fee schedule.

CMS staff will discuss:

- Internet-based PECOS for physicians, nonphysician practitioners and organizations;
- Reporting responsibilities;
- Effective date of Medicare billing privileges and retroactive billing; and
- Revalidation efforts.

To join the Open Door Forum:

- Call: 800.837.1935
- Reference conference 94109369

Capacity is limited, so dial in as early as 1:45 PM ET.

You can download an audio recording of this special forum online beginning Monday, May 11. It will be available for 30 days.