issues

News from Capitol Hill, Regulatory Agencies & Oncology Stakeholders

ACCC Comments on Proposed OPPS Rule, Physician Fee Schedule

The Association of Community Cancer Centers (ACCC) submitted comments to the Centers for Medicare & Medicaid Services (CMS) on the proposed Hospital Outpatient Prospective Payment System (OPPS) rule and the proposed Physician Fee Schedule (PFS) rule for 2013.

In its comments to the proposed OPPS rule, ACCC noted that CMS has made significant adjustments to its rate-setting methodology, which ACCC believes will provide for more appropriate and stable reimbursement levels for drugs and pharmacy-related services. In 2013 the agency proposes to reimburse separately payable drugs at ASP+6 percent.

In its comments to the proposed PFS, ACCC urged Congress to develop a long-term fix to the Sustainable Growth Rate (SGR) formula and avert a 27.4 percent reduction to the conversion factor in 2013. Among other recommendations, ACCC also advised that CMS should *not* implement the proposed changes to the time inputs for CPT codes 77418 (intensity modulated treatment delivery) and 77373 (stereotactic body radiation therapy).

AMA, ASCO, ASTRO & Others Outline Payment Reforms to Congress

The American Medical Association (AMA), the American Society of Clinical Oncology (ASCO), the American Society for Radiation Oncology (ASTRO), and more than 100 state and specialty medical societies have outlined to Congress a set of principles needed to transition from Medicare's current physician payment system to a new one. In an Oct. 15 letter to the Senate Finance Committee, the groups said the first step toward crafting a new Medicare payment system would be to repeal the sustainable growth rate (SGR) formula. In conjunction with SGR repeal, the groups suggest a transition plan that includes the following core elements:

- Reflect the diversity of physician practices and provide opportunities for physicians to choose payment models that work for their patients, practice, specialty, and region
- Encourage incremental changes with positive incentives and rewards during a defined timetable, instead of using penalties to order abrupt changes in care delivery
- Provide a way to measure progress and show policymakers that physicians are taking accountability for quality and costs.

In addition, the transition plan needs to be structured in a way that will:

- Reward physicians for savings achieved across the healthcare spectrum
- Enhance prospects for physicians adopting new models to achieve positive updates
- Tie incentives to physicians' own actions, not the actions of others or factors beyond their influence
- Enhance prospects to harmonize measures and alter incentives in current law
- Encourage systems of care, regional collaborative efforts, and primary care and specialist cooperation while preserving patient choice
- Allow specialty and state society initiatives to be credited as delivery improvements (deeming authority) and recognize the central role of the profession in determining and measuring quality
- Provide exemptions and alternative pathways for physicians in practice situations in which making or recovering the investments that may be needed to reform care delivery would constitute a hardship.

Read the letter at: *www.ama-assn.org/resources/doc/washington/sgr-transition-principles-sign-on-letter.pdf*.

It's Official! ICD-10 Implementation Delayed Until 2014

Department of Health and Human Services (HHS) Secretary Kathleen Sebelius announced a one-year delay in the compliance deadline for the nationwide conversion to ICD-10 code sets. The delay, first proposed in April, moves the compliance deadline to Oct. 1, 2014. HHS said the extra time would allow healthcare organizations—small organizations in particular—adequate time to get ready for the changeover.

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"By delaying the compliance date of ICD-10 from October 1, 2013, to October 1, 2014, we are allowing more time for covered entities to prepare for the transition to ICD-10 and to conduct thorough testing," HHS said in the rule. "By allowing more time to prepare, covered entities may be able to avoid costly obstacles that would otherwise emerge while in production."

Despite this delay, Cindy Parman, CPC, CPC-H, PCS, FCS, RCC, contributing author of the "Compliance" column (page 12) and presenter at the ACCC 29th National Oncology Conference, states that the time to prepare for ICD-10 implementation is now. Not only will ICD-10 help with strategic planning, data mining, benchmarking, and quality assessment, ICD-10 will bring other benefits, including:

- It incorporates new diagnoses
- It reflects advances in medicine and technology
- It will provide more detail about individual patients
- It will provide more socioeconomic details; e.g., you will be able to code for patients with financial hardship.

For more information, visit *http://acccbuzz.wordpress.com*.

Insurance Exchange Update—Eight States Receive $766.5 Million in Grants

On Aug. 23, the Department of Health and Human Services (HHS) announced that eight states received $766.5 million in federal grants to build online health insurance exchange markets that are required to be operational by 2014 under the Affordable Care Act (ACA). To date, 34 states and the District of Columbia have received exchange "establishment" grants, according to *BNA Health Care Daily Report*.

Establishment grants recognize that states are making progress toward establishing exchanges but at different speeds. States can choose when to apply for grant funding based on their needs and planned expenditures. Those moving forward using a step-by-step approach can apply for funding each project year (level one establishment grants). States moving ahead at a faster pace can apply for multi-year funding (level two establishment grants). States can initially apply for either level one or level two establishment grants, based on their progress.

In the Aug. 23 grant announcement, four states (California, Hawaii, Iowa, and New York) received level one grants and four states (Connecticut, Maryland, Nevada, and Vermont) received level two grants. States can apply for multiple level one grants, and will have multiple opportunities to apply for funding in the years ahead.

An interactive map showing establishment grant awards by state is available at: *www.healthcare.gov/news/factsheets/2011/05/exchanges05232011a.html*.

OIG 2013 Work Plan to Focus on Hospital Billing, Medicare Contractors

For 2013, the HHS Office of Inspector General (OIG) will focus investigative and audit efforts on hospital billing and payment issues and oversight issues related to Medicare contractors, according to the agency's *Work Plan for Fiscal Year 2013*. The work plan, which was released Oct. 2, highlights several new areas of concern related to hospitals, including payments for mechanical ventilation, payments for canceled surgical procedures, and compliance with Medicare's transfer policy, according to *BNA Health Care Daily Report*.

The OIG will also review the effectiveness of Medicare contractors, including Medicare Administrative Contractors (MACs), Recovery Audit Contractors (RACs), and Zone Program Integrity Contractors (ZPICs). The work plan is available at: *https://oig.hhs.gov/reports-and-publications/archives/workplan/2013/Work-Plan-2013.pdf*.