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## Payment Delays in Y2K

by Christian Downs

**O**ne of the biggest issues confronting oncology providers in January is payment delays related to Y2K. Health Care Financing Administration (HCFA) Deputy Administrator Michael Hash reported at a September 1999 meeting of the Medicare Payment Advisory Commission (MedPAC) that the seventy-five contractors responsible for the day-to-day implementation of the Medicare program are compliant as of March 31, 1999. In fact, he noted that he was confident there would be very few glitches in Medicare reimbursements.

The possible bad news, Hash added, is that HCFA is still doing catch-up in three other arenas of Y2K reimbursement:

1) As well as managing Medicare, HCFA helps states administer the Medicaid program. Several provider groups have recently voiced concerns that although the Medicare claims system may be solid, some state Medicaid billing systems may be suspect. HCFA is working closely with these states to test their claims software before the New Year.

2) At the request of organizations such as the American Medical Association and the American Hospital Association, HCFA has begun to develop contingency plans for Medicare just in case some glitches do occur. Hash expects these contingency plans to be in

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place by the middle of November.

3) HCFA is educating small and rural providers about the kinds of problems that might arise out of any Y2K glitches. These providers may be the most vulnerable to millennium problems. HCFA's stepped-up education effort was initiated following a summer 1999 report by the Senate Special Committee on the Year 2000 Technology Problem, which mentioned that rural hospitals and providers have not spent the time nor money necessary to test their computer systems.

HCFA seems relatively positive about its prognosis for Y2K, but providers may want to take action to protect themselves from problems that may arise in the private sector. This is especially true for office-based oncologists who do not have the resources a hospital does to withstand significant payment delays.

Most consultants agree that the first step providers should take is to ensure that their information systems are fully Y2K compliant. Providers also need to make sure that payers who may have delayed payment because of their own Y2K problems cannot use the provider's problems as an excuse. If your information systems have not been thoroughly reviewed, now is the time to have it done.

Keep the following tips in mind as January 1, 2000, approaches.

■ *Keep a check on claims.* If you believe your practice, cancer center, or any of your payers may have Y2K issues, keep paper claims for the patients involved. You can

always file these if there is some problem with an electronic claims submission.

■ *Make sure you have access to enough cash to meet your revenue targets for the first quarter.* This is important for several reasons. First, although HCFA previously said there would be no physician fee updates during the first quarter of 2000, it has revised that statement, announcing that the update will occur on January 17. If HCFA does not meet its target date and updates are delayed by a quarter, a practice's quarterly income would be affected. Second, most large payers seem to be compliant and probably will not have payment delays, but many small insurers and claims payment operations may not be ready for Y2K or will use it as an excuse to delay payment. Look over the center's or practice's payer distribution list and be wary if smaller payers make up more than 30 percent of your revenue stream.

■ *Send in every claim possible before the end of the year.* Now is the time to clear out those backlogged claims you have been meaning to get around to. Many of these claims were originally put aside because they are complex or require special attention. It will be much easier to deal with a claim of this nature before rather than after your payer has a problem in the new year.

One of the best ways to keep informed about the Y2K problem and suggested solutions is to visit HCFA's web site at [www.hcfa.gov](http://www.hcfa.gov). The site's focus is on Medicare, but it is loaded with information on Y2K applicable to most payers. ■