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# The JPA Examiner

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## 2 Clinical Integration is Here

Hospitals and healthcare systems continue to feel the effects of the economic crisis on their operations, financial position and creditworthiness. Even though industry-wide operating profits have resumed a positive trend, a multitude of initiatives still compete for limited capital.

The industry and marketplace developments are producing yet another round of consolidation and integration of hospitals and physicians. The Affordable Care Act is catalyzing the shift to a value-based purchasing model. Hospitals and healthcare systems will need to assume a leadership role in improving the management and coordination of patient care as pay-for-performance is expanded and bundled payment and full capitation mechanisms are introduced to the healthcare marketplace. Meanwhile, providers should expect nominal fee-for-service payment increases from Medicare, Medicaid, and commercial payers.

Physicians are under similar pressures, facing near-term reductions in fee-for-service payments and continued cost increases – especially for IT, care coordination and regulatory compliance. Many physicians, especially new entrants to the profession, are seeking lifestyles that offer more personal and leisure time, making employment versus independent practice attractive to them. Hospitals and healthcare systems are purchasing



physician practices and setting up employment contracts with physicians.

These hospitals and healthcare systems recognize that to navigate the new delivery system structure successfully, they must take advantage of physician receptivity and become much more closely aligned with physicians. Hence, many are pursuing strategic initiatives aimed at **clinical integration**.

**Clinical integration** is a medical practice model that brings together hospitals with providers from different practices and

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## PAYERS PAYING FOR QUALITY

Insurance and government payers have begun recognizing quality metrics and will start providing bonus and case management fees based upon quality, in addition to P4P incentives.

Following established HEDIS® and CAHPS® survey metrics, the Center for Medicare and Medicaid Services (CMS) announced it will begin paying quality bonus payments to health plans based upon a STAR rating system. Additionally, private insurers

continue to recognize practices that meet pre-determined pay-for-performance quality thresholds. Primary care practices can now receive per member per month case management fees for attaining patient centered medical home status.

This quality score payment is part of an overall payment reform that is moving from illness episodic based fee-for-service reimbursement to one rooted in quality and wellness.

## BCN Payer News



### New Policy for Pain Management Injections

As of April 4, Blue Care Network (BCN) will require prior authorization for cervical or lumbar epidural injections or facet joint injections. This program applies to BCN commercial (including self-funded groups) and BCN Advantage HMO-POS<sup>SM</sup> members. Providers must get prior authorization from BCN for these procedures via e-referral. If criteria is met, the request will automatically be approved. If not, the request will require further clinical review.

BCN has put a limit on the number of pain management injections a patient can receive within a certain timeframe. For more information, see page 32 of the May-June 2011 issue of *BCN Provider News* ([www.bcbsm.com/newsletter/providernews/current/bcnprovidernews.pdf](http://www.bcbsm.com/newsletter/providernews/current/bcnprovidernews.pdf).)

### Preventative Care Mandate

The preventative care mandate provides no cost sharing to certain BCN members. Providers who want to check whether the preventative care mandate applies to their patient can confirm benefit information on web-DENIS. This should be completed prior to the patient's appointment. To access patient benefit information: (1) Log into web-DENIS; (2) Click on *Subscriber Info*; (3) Click on

*Eligibility/Coverage/COB*; (4) Type in the *Contract Number*, select BCN as the *Line of Business* and click *Enter*; (5) Click on the member's name; (6) Click on *Medical Benefits*; and (7) Scroll down the list of benefits and look at *PCP Visits* or *Specialist Visits*. These will reference preventive services having no cost sharing if the preventative care mandate applies.

Providers can also scroll down the list of benefits and look at "Certificate/Rider." If one of the following riders is listed (HCRGF, PSCR or PSCR65) the member is part of an employer group that is grandfathered under health care reform or is exempt from health care reform.

### Specialists urged to update information

BCN is moving its contracts for specialist practitioners from individual to the group level. To simplify the effort, BCN asks group administrators to verify: (1) BCN has the latest group information including group composition, addresses and phone numbers; (2) Practitioners within the group have the correct addresses and phone numbers; and (3) Individual BCN practitioners are credentialed, with attestation through the Council for Affordable Quality Healthcare's Universal Provider Data

source.

Group administrators can verify and update group information online through the Blues' new Provider Enrollment and Change Self-Service application. This tool provides many conveniences to group administrators such as the ability to handle BCN and BCBSM enrollment and change tasks online for professional groups of health care practitioners. To register or for more information, visit [bcbsm.com/provider/enrollment/self-service.shtml](http://bcbsm.com/provider/enrollment/self-service.shtml).

### CareCore National Will Perform Onsite Reviews

BCN will begin a statewide outpatient radiology quality and compliance program based on positive results from a pilot project. They have hired CareCore National to perform onsite reviews of all BCN-contracted outpatient radiology centers and practitioner offices that engage in radiology services to assess image quality, conduct billing evaluations and assess imaging equipment against national guidelines.

CareCore National will contact your office to schedule your review. For more information, call Kate Young, R.N. M.S. at BCN at 248-799-6861 or Care Core National at 1-800-918-8924, ext. 10190.

### New Registry Capabilities

JPA is pleased to announce its support of the acquisition of the Phytel CareInsight Registry product by JCMR. This population management tool will propel our efforts to improve the health of our community and is another step in meeting BCBSM PGIP requirements. JPA is financially supporting the implementation and first year's use of the product for all JPA members. JCMR is in the process of signing the paperwork and beginning the software registry implementation process planning. We are targeting the Phytel system to be "live" on or about October 1<sup>st</sup>, 2011. The registry is a powerful tool that allows key users at each office to identify outlier patients that need to be seen and helps in the management of patients with chronic diseases. It also has the ability to tie the identified patient lists to an automated outreach process. We expect every JPA primary care office using the NextGen EMR to work with JCMR to implement the registry product. You will be hearing more details concerning the implementation from the JCMR staff over the next few months. Feel free to call Cheryl Meschke, JPA or Wynn Hazen, JCMR (517-841-6973) for more information.

### HIPAA Version 5010 Transaction

The Centers for Medicare & Medicaid Services (CMS) has mandated all covered entities (providers, health plans and clearinghouses) convert from the current HIPAA Version 4010 electronic transaction standards to Version 5010 by Jan. 1, 2012. Many practices will have to upgrade or replace their practice management systems for the conversion. Medical Group Management Association (MGMA) is conducting research to determine the readiness of medical groups and their trading partners to transition to the Version 5010 electronic transactions. The MGMA Legislative and Executive Advocacy Response Network (LEARN) conducts research on policy issues that impact medical practices. To ensure MGMA has timely information about these issues, your participation in LEARN research projects is essential. Make sure your voice is heard. Participate today at [www.surveymonkey.com/s/9X38TQ6](http://www.surveymonkey.com/s/9X38TQ6).

## House Debates Feasibility of Medical Liability Bill

The House Judiciary Committee approved H.R. 5, the "Help Efficient, Accessible, Low-Cost, Timely Healthcare (HEALTH) Act of 2011." The bill would ensure that patients receive 100 percent compensation for economic losses and would limit noneconomic damages to \$250,000.



It would also enact a "fair share" rule, in which each party to a lawsuit would be liable only for the amount of damages attributable to that party. It would also limit the statute of limitations for liability claims.

While the bill has 122 cosponsors and the backing of most major medical professional societies, the bill does not have Democratic support.

Democrats support the Republicans' goal of overhauling the malpractice system, but "clear differences in [approaches] remain," said Rep. Lois Capps (D-Calif.). In addition, Rep. Frank Pallone (D-N.J.), a subcommittee member, said he objected to the bill's extension to cover drug and device companies, and also to the bill's cap on noneconomic damages. He said it would be more important to control malpractice premiums directly.

On the other side, Republicans said that H.R. 5 is modeled on what they deemed successful state models in California and Texas. Rep. Michael Burgess (R-Tex.) cited gains in the number of new physicians practicing in the state and reductions in malpractice litigation since a reform model was put into place in 2003.

Physicians who testified at the hearing said that the threat of malpractice suits drove up the cost of care by encouraging defensive medicine. And they testified that the litigious climate had contributed to increases in malpractice insurance premiums.

The full Energy and Commerce Committee was due to consider the legislation in mid-May. A Senate companion bill has only two cosponsors and is awaiting consideration by the Senate Judiciary Committee.

## CMS delays implementation of the Medicaid RAC program

The Centers for Medicare and Medicare Services (CMS) has delayed the deadline for states to implement their Medicaid recovery audit contractor (RAC) program until an unspecified time later this year. The CMS bulletin said that the agency was doing so "out of consideration for state operational issues and to ensure states comply with the provisions of the final rule," which has yet to be published. The original implementation date was April 1. CMS says when the final rule is published, it will include a new implementation deadline.

## JPA's Preferred Vendors



As you may know, JPA has negotiated a number of preferred vendor agreements with different vendors that serve the Jackson Community. These agreements include optimum pricing and services provided only to JPA members. In March, JPA welcomed our newest vendor, Miracle Cleaning Services (MCS). MCS offers a number of janitorial services for your office at discounted prices. To get your free, no obligation service evaluation, please call Andrae Wasson at (517) 425-6768. Be sure to say that you are a JPA member.

Be on the lookout for our monthly vendor flyers. In June, we will highlight the services of Medical Management Systems who specializes in helping you increase revenue by improving practice productivity. July's highlighted vendor will be TDS Metrocom.



## Clinical Integration

*From page 1*

specialties to coordinate care. It also involves the adoption of clinical protocols and guidelines. As a result patient care is safer, more effective and more efficient. When providers work together to care for patients in a clinically integrated environment, they can deliver higher quality care more efficiently and with greater patient value to patients to a degree un-attainable if those same providers continued to work independently within their practices.

Clinical integration has vaulted from good idea to a business imperative, thanks in large part to the new healthcare reform law. It is an economic model whereby integrated providers share the costs of their efforts making care more affordable for all. It is a legal model through which members of a clinically integrated system present themselves to the marketplace as a single entity, not as individual practices.

Clinical integration is presently practiced to widely varying degrees. At its most basic, it might involve initiatives to improve coordination around a single disease, typically asthma or diabetes. At its most sophisticated, it might encompass fully integrated hospital systems with closed staffs consisting entirely of employed physicians using approved guidelines and protocols. Most hospitals and health systems are somewhere in-between.

Healthcare integration is likely to gain momentum, and will get a big boost from the recently enacted Patient Protection and Affordable Care for America Act, which includes support for pilot integration projects and some partial regulatory relief for these pilots. As a result, hospitals are transitioning to a new business model, where revenue derives more from value than from volume. It will be critically important for them to align closely with physicians, and to be much more clinically integrated, if they are to succeed in this new paradigm. Physicians need to adopt clinical care protocols that are embedded into EHR software applications.

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**Making  
Healthcare Better**

## *Looking for a specific topic in The JPA Examiner?*

E-mail comments, ideas or suggestions to [KristinS@JPAdocs.com](mailto:KristinS@JPAdocs.com).

## In the Door

**Welcome the following new  
JPA physician members:**

**Kristina Sturgill, MD**  
*Family Practice*

**Rajan Pastoriza, MD**  
*OB/GYN*



## JPA's Open Enrollment is Now

Open enrollment for JPA health insurance will take place throughout the month of June. JPA offers its member practices the opportunity to enroll employees into a BCN health insurance program. To learn more, JPA members should contact Cheryl Meschke at (517) 817-2140 or by e-mail at [CherylM@JPAdocs.com](mailto:CherylM@JPAdocs.com).



## Bonus Incentive from Priority Health

Priority Health will provide a monetary bonus during 2011 (in addition to the earned payout of each Health Care Outcomes measure), which is only available for practices with active Patient Centered Medical Home (PCMH) recognition or designated from either NCQA, BCBSM or URAC. The bonus will be included as part of the 2011 PIP incentive payout following the year's end settlement.

This incentive provides financial support to practices that have developed and implemented the rigorous requirements of PCMH recognition programs received by September 30, 2011. Proof of recognition must be submitted to Priority Health by October 31, 2011.

For more information, call JPA at (517) 817-2140.

## Congratulations to survey winner

Congratulations Kelley Desy from Lorna Pinson, MD, PLLC! Kelley was this year's winner of the \$50 Visa Gift Card for completing the JPA Practice Manager Survey.



## Save the Date!!

**June 22, 2011**

Training Seminar for Staff

"Well Trained Front Desk Staff -  
Enhancing the Patient's Office Experience"