

Changes to Medicare Enrollment Rules

Despite much opposition from the American Medical Association (AMA) and the Medical Group Management Association (MGMA), the 2009 Medicare Physician Fee Schedule's restrictions on physician Medicare enrollment and retroactive billing went into effect on April 1, 2009. Although the AMA and MGMA were successful in delaying the initial roll-out date of January 1, 2009, they were unable to halt implementation of the new requirements altogether.¹

Prior to the 2009 Physician Fee Schedule, physicians had a 27 month window in which they could retroactively bill for services provided before the physician received a billing ID from Medicare.² New regulations have truncated the window to 30 days. The billing window is counted back from the later of: (1) the filing date of the provider's (approved) application; or, (2) the date when the physician began providing services at the specific practice location.³ The shortened billing window could significantly impact practice revenues as providers often begin providing services before all Medicare paperwork is complete.⁴

Additionally, the 2009 Physician Fee Schedule requires physicians who change their practice address or practice ownership to notify the Centers for Medicare and Medicaid Services (CMS) within 30 days. Failure to do so may result in expulsion from the Medicare program for at least one year, and up to two years.⁵

Both the AMA and MGMA strongly opposed these changes, stating that they would significantly impact provider revenue and further strain physician-CMS relations. In a letter to CMS, the AMA called for a moratorium on Medicare enrollment and retroactive billing changes. The AMA stated that most physicians operate small practices and rely heavily on revenue from the Medicare program. Further, the AMA argued that problems in CMS' transition to the National Provider Identifier (NPI) program have created inefficiencies in the enrollment process (e.g., some physicians have waited as long as 180 days to receive enrollment certification). The NPI process necessitated that many physicians re-enroll as a Medicare provider, with only a 30-day window to retroactively bill CMS. Moreover, given the current state of the economy, physicians have reported trouble accessing revolving loans to cover costs while they wait for enrollment applications to be

processed. The AMA additionally stated that the reduced thirty-day window places an undue financial hardship on physicians.⁶

CMS has stated that the reduced window is not intended to penalize physicians, but rather to reduce inefficiencies in the system and limit providers who bill for services when they have not yet met all of Medicare's enrollment requirements. Further, CMS has stated that it does not intend to target practices that act in "good faith." Rather, CMS will revoke privileges if they are on-site and notice practice location or ownership violations. Further, CMS has stated that it has instructed contractor to deny, rather than reject, incomplete applications so that physicians can request corrective action within 30 days, thereby preserving the initial filing date.⁷

In response to the shortened window, the AMA and MGMA have partnered together to create an online toolkit for providers that will assist them in understanding the new changes to the Medicare enrollment process.⁸

¹ "Doctors face risk of harsh penalties from new Medicare enrollment rules," By Chris Silva, American Medical Association, AMNews, April 20, 2009, <http://www.ama-assn.org/amednews/2009/04/20/gv110420.htm> (Accessed 5/1/09)

² 73 Fed Reg. No. 224, 69766

³ "Changes to the Medicare Enrollment and Billing Process," Medical Group Management Association, 2009, <http://www.ama-assn.org/ama/no-index/legislation-advocacy/medicare-enrollment-process.shtml> (Accessed 5/01/09);

⁴ "CMS Announces Major Changes in Medicare Provider Enrollment Policies," MGMA Washington Connexion, April 4, 2009, <http://mgma.com/article.aspx?id=28102> (Accessed 5/1/09); "Doctors face risk of harsh penalties from new Medicare enrollment rules," By Chris Silva, American Medical Association, AMNews, April 20, 2009, <http://www.ama-assn.org/amednews/2009/04/20/gv110420.htm> (Accessed 5/1/09)

⁵ "Changes to the Medicare Enrollment and Billing Process," Medical Group Management Association, 2009, <http://www.ama-assn.org/ama/no-index/legislation-advocacy/medicare-enrollment-process.shtml> (Accessed 5/01/09); "Doctors face risk of harsh penalties from new Medicare enrollment rules," By Chris Silva, American Medical Association, AMNews, April 20, 2009, <http://www.ama-assn.org/amednews/2009/04/20/gv110420.htm> (Accessed 5/1/09)

⁶ "Letter to CMS; Re: Medicare Program Payment Policies Under the Physician Fee Schedule and Other Revisions for Part B for CY 2009," American Medical Association, pp. 7-15, December 29, 2008, <http://www.ama-assn.org/ama1/pub/upload/mm/399/administration-enrollment-letter-dec2008.pdf> (Accessed 5/1/09)

⁷ "Doctors face risk of harsh penalties from new Medicare enrollment rules," By Chris Silva, American Medical Association, AMNews,

(Continued from previous page)

April 20, 2009, <http://www.ama-assn.org/amednews/2009/04/20/gv110420.htm> (Accessed 5/1/09);
“Letter to CMS; Re: Medicare Program Payment Policies Under the Physician Fee Schedule and Other Revisions for Part B for CY 2009,” American Medical Association, pp. 7-15, December 29, 2008,

<http://www.ama-assn.org/ama1/pub/upload/mm/399/administration-enrollment-letter-dec2008.pdf> (Accessed 5/1/09)
⁸ “AMA and MGMA Partner to Help Members with Medicare Enrollment,” Medical Group Management Association, www.mgma.com/press/article.aspx?id=28214



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Robert James Cimasi, MHA ASA, CBA, AVA, CM&AA, President. Mr. Cimasi is a nationally recognized healthcare industry expert, with over 25 years experience in serving clients, in over 49 states, with a professional focus on the financial and economic aspects of healthcare industry including: valuation consulting; litigation support & expert testimony; business intermediary and capital formation services; certificate-of-need and other regulatory and policy planning; and, healthcare industry transactions, joint ventures, mergers and divestitures.

Mr. Cimasi holds a Masters in Health Administration from the University of Maryland, and several professional certifications. He has been certified and has served as an expert witness on cases in numerous states, and has provided testimony before federal and state legislative committees.

Mr. Cimasi is a nationally known speaker on healthcare industry topics, is the author of several nationally published books, chapters, published articles, research papers and case studies, and is often quoted by healthcare industry press. Mr. Cimasi's latest book, "*The U.S. Healthcare Certificate of Need Sourcebook*", was published in 2005 by Beard Books. In 2006, Mr. Cimasi was honored with the prestigious "*Shannon Pratt Award in Business Valuation*" conferred by the Institute of Business Appraisers and was elevated to the Institute's College of Fellows in 2007.



Todd A. Zigrang, MHA, MBA, CHE, Senior Vice-President. Mr. Zigrang has over twelve years experience in providing valuation, financial analysis, and provider integration services to HCC's clients nationwide. He has developed and implemented hospital and physician driven MSOs and networks involving a wide range of specialties; developed a physician-owned ambulatory surgery center; participated in the evaluation and negotiation of managed care contracts, performed valuations of a wide array of healthcare entities; participated in numerous litigation support engagements; created pro-forma financials; written

business plans and feasibility analyses; conducted comprehensive industry research; completed due diligence analysis; overseen the selection process for vendors, contractors, and architects; and, developed project financing.

Mr. Zigrang holds a Masters in Business Administration and a Master of Science in Health Administration from the University of Missouri at Columbia. He holds the Certified Healthcare Executive (CHE) designation from, and is a Diplomat of, the American College of Healthcare Executives and a member of the Healthcare Financial Management Association.



Lance A. Haynes, MSF, Vice President. Mr. Haynes focuses on the area of financial and economic analysis and consulting. His main responsibilities are comprised of business, tangible asset and intangible asset valuations, as well as financial analysis and forecasting for healthcare services related enterprises. Mr. Haynes has performed valuations for many types of ancillary services providers including Surgical/Specialty Hospitals and Ambulatory Surgery Centers, Cardiac Catheterization Labs, Diagnostic Imaging Centers and Kidney Dialysis Centers, and has also performed valuations and financial analyses for Home Healthcare

Providers, Long-term Care Facilities and Physician Medical Practices across various specialties. In addition, Mr. Haynes has performed joint venture service line and lease arrangement valuations for hospitals and physician groups, and has assisted with numerous litigation support engagements. Prior to joining HCC, Mr. Haynes was a Research Associate with Flagstone Securities, a specialty investment bank, located in St. Louis, Missouri, where his main responsibilities included the development and maintenance of company earnings models and proprietary stock indices for publicly traded companies.

Mr. Haynes received his Bachelor of Arts in Finance from the University of Northern Iowa and his Master of Science in Finance from St. Louis University. Mr. Haynes is a Level III candidate in the Chartered Financial Analyst (CFA) Program, and is a member of both the CFA Institute and CFA Society of St. Louis.



Anne P. Sharamitaro, Esq., Vice President. Ms. Sharamitaro focuses on the areas of Certificate of Need (CON); regulatory compliance, managed care, and antitrust consulting. Ms. Sharamitaro was admitted to the Missouri Bar in 2005 after graduating with J.D. and Health Law Certificate from St. Louis University School of Law. At St. Louis University, served as an editor and staff member of the Journal of Health Law, published by the American Health Lawyers Association. She has presented healthcare industry related research papers before Physician Hospitals of America (f/k/a American Surgical Hospital Association) and the National Association of Certified Valuation Analysts.



Kelly Gordon is a Research Associate at Health Capital Consultants (HCC). Ms. Gordon is in her second year of the Master of Health Administration program at Saint Louis University and will graduate in May 2009. Ms. Gordon also has a Master of Social Work from Washington University in Saint Louis. At HCC, Ms. Gordon provides research support in the areas of medical specialty trends related to a wide and diverse array of healthcare industry enterprises.