

## 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.<sup>1</sup>

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.<sup>2</sup> 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.<sup>3</sup> The shortened billing window could significantly impact practice revenues as providers often begin providing services before all Medicare paperwork is complete.<sup>4</sup>

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.<sup>5</sup>

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.<sup>6</sup>

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.<sup>7</sup>

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.<sup>8</sup>

<sup>1</sup> "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)

<sup>2</sup> 73 Fed Reg. No. 224, 69766

<sup>3</sup> "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);

<sup>4</sup> "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)

<sup>5</sup> "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)

<sup>6</sup> "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)

<sup>7</sup> "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)  
<sup>8</sup> “AMA and MGMA Partner to Help Members with Medicare Enrollment,” Medical Group Management Association, [www.mgma.com/press/article.aspx?id=28214](http://www.mgma.com/press/article.aspx?id=28214)



(800) FYI - VALU

Providing Solutions  
in the Era of  
Healthcare Reform

Founded in 1993, HCC is a  
nationally recognized healthcare  
economic financial consulting firm

- [HCC Home](#)
- [Firm Profile](#)
- [HCC Services](#)
- [HCC Experts](#)
- [Clients Projects](#)
- [HCC News](#)
- [Upcoming Events](#)
- [Contact Us](#)
- [Email Us](#)

**HEALTH CAPITAL CONSULTANTS (HCC)** is an established, nationally recognized healthcare financial and economic consulting firm headquartered in St. Louis, Missouri, with regional personnel nationwide. Founded in 1993, HCC has served clients in over 45 states, in providing services including: valuation in all healthcare sectors; financial analysis, including the development of forecasts, budgets and income distribution plans; healthcare provider related intermediary services, including integration, affiliation, acquisition and divestiture; Certificate of Need (CON) and regulatory consulting; litigation support and expert witness services; and, industry research services for healthcare providers and their advisors. HCC's accredited professionals are supported by an experienced research and library support staff to maintain a thorough and extensive knowledge of the healthcare reimbursement, regulatory, technological and competitive environment.



**Robert James Cimasi**, MHA, ASA, FRICS, MCBA, AVA, CM&AA, serves as President of **HEALTH CAPITAL CONSULTANTS (HCC)**, a nationally recognized healthcare financial and economic consulting firm headquartered in St. Louis, MO, serving clients in 49 states since 1993. Mr. Cimasi has over thirty years of experience in serving clients, with a professional focus on the financial and economic aspects of healthcare service sector entities including: valuation consulting and capital formation services; healthcare industry transactions including joint ventures, mergers, acquisitions, and divestitures; litigation support & expert testimony; and, certificate-of-need and other regulatory and policy planning consulting.

Mr. Cimasi holds a Masters in Health Administration from the University of Maryland, as well as several professional designations: Accredited Senior Appraiser (ASA – American Society of Appraisers); Fellow Royal Intuition of Chartered Surveyors (FRICS – Royal Institute of Chartered Surveyors); Master Certified Business Appraiser (MCBA – Institute of Business Appraisers); Accredited Valuation Analyst (AVA – National Association of Certified Valuators and Analysts); and, Certified Merger & Acquisition Advisor (CM&AA – Alliance of Merger & Acquisition Advisors). He has served as an expert witness on cases in numerous courts, and has provided testimony before federal and state legislative committees. He is a nationally known speaker on healthcare industry topics, the author of several books, the latest of which include: *“The U.S. Healthcare Certificate of Need Sourcebook”* [2005 - Beard Books], *“An Exciting Insight into the Healthcare Industry and Medical Practice Valuation”* [2002 – AICPA], and *“A Guide to Consulting Services for Emerging Healthcare Organizations”* [1999 John Wiley and Sons].

Mr. Cimasi is the author of numerous additional chapters in anthologies; books, and legal treatises; published articles in peer reviewed and industry trade journals; research papers and case studies; and, is often quoted by healthcare industry press. In 2006, Mr. Cimasi was honored with the prestigious *“Shannon Pratt Award in Business Valuation”* conferred by the Institute of Business Appraisers. Mr. Cimasi serves on the Editorial Board of the Business Appraisals Practice of the Institute of Business Appraisers, of which he is a member of the College of Fellows.



**Todd A. Zigrang**, MBA, MHA, ASA, FACHE, is the Senior Vice President of **HEALTH CAPITAL CONSULTANTS (HCC)**, where he focuses on the areas valuation and financial analysis for hospitals and other healthcare enterprises. Mr. Zigrang has significant physician integration and financial analysis experience, and has participated in the development of a physician-owned multi-specialty MSO and networks involving a wide range of specialties; physician-owned hospitals, as well as several limited liability companies for the purpose of acquiring acute care and specialty hospitals, ASCs and other ancillary facilities; participated in the evaluation and negotiation of managed care contracts, performed and assisted in the valuation of various healthcare entities and related litigation support engagements; created pro-forma financials; written business plans; conducted a range of industry research; completed due diligence practice analysis; overseen the selection process for vendors, contractors, and architects; and, worked on the arrangement of financing.

Mr. Zigrang holds a Master of Science in Health Administration and a Masters in Business Administration from the University of Missouri at Columbia, and is a Fellow of the American College of Healthcare Executives. He has co-authored *“Research and Financial Benchmarking in the Healthcare Industry”* (STP Financial Management) and *“Healthcare Industry Research and its Application in Financial Consulting”* (Aspen Publishers). He has additionally taught before the Institute of Business Appraisers and CPA Leadership Institute, and has presented healthcare industry valuation related research papers before the Healthcare Financial Management Association; the National CPA Health Care Adviser’s Association; Association for Corporate Growth; Infocast Executive Education Series; the St. Louis Business Valuation Roundtable; and, Physician Hospitals of America.



**Anne P. Sharamitaro**, Esq., is the Vice President of **HEALTH CAPITAL CONSULTANTS (HCC)**, where she focuses on the areas of Certificate of Need (CON); regulatory compliance, managed care, and antitrust consulting. Ms. Sharamitaro is a member of the Missouri Bar and holds a J.D. and Health Law Certificate from Saint Louis University School of Law, where she served as an editor for 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 and the National Association of Certified Valuation Analysts and co-authored chapters in *“Healthcare Organizations: Financial Management Strategies,”* published in 2008.