

The Hawthorn CONNECTION

EST. 1978

Q2 May 2015

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ICD-10 Just around the corner

Here we are once again, about five months away from October 1st, when we go live with ICD-10. In the months ahead we will see a lot of information about the ICD-10 transition. We want to assure you that Hawthorn will keep you informed with email updates, information on our website and communications from your Client Service Managers. We will also start scheduling ICD-10 visits with you in the weeks to come. *Hint:* The ICD-10 Watch is a great source to keep updated.

Observations and lessons learned from the front lines of ICD-10

From: ICD10 Watch Healthcare IT News & Healthcare Finance by Carl Natale

Guest post by *Joshua Berman, Director of Analytics and ICD-10 at RelayHealth Financial.*

It's been nearly six years since HHS published the final rule replacing ICD-9 with ICD-10. As we march toward what appears to be the third and final deadline, it's time to reflect on what we've seen, experienced, and learned. Better still, we can use those insights to inform what work remains in the final run-up to October's coming ICD-10 deadline.

In my travels to meet and consult with healthcare providers across the country, the top two

questions I'm asked are, "Will there be another delay?" and "What should we really be ready for on October 1?"

Read More:

<http://www.icd10watch.com/blog/guest-post-observations-and-lessons-learned-front-lines-icd-10>

Hot in the News:

SGR Repealed with New Legislation

By Stan Hosler

The federal government has enacted new legislation to modify the Medicare payment system. The House and Senate recently voted overwhelmingly in favor of the Medicare Access and CHIP Reauthorization Act (MACRA), and the new law was signed by president Obama on April 16, 2015.

The bill benefited from bi-partisan support in Congress as well as support from organized medicine. Prior to its passage the bill had been endorsed by the AMA, the American College of Physicians (ACP), the Medical Group Management Association (MGMA) and the College of American Pathologists (CAP).

There are several important features of this legislation. It permanently repeals the problematic Sustainable Growth Rate (SGR) mechanism for controlling Medicare spending, and it establishes predictable physician payment increases for the years from 2015 to 2019. Additionally, the law creates a new Merit-Based Incentive Payment System (MIPS) that will start in 2019. MIPS will consolidate existing incentive programs into one system. This means that MIPS will eventually replace the electronic health records (EHR) meaningful use program, the Physician Quality Reporting System (PQRS) and the value-based modifier (VBM) program.

SGR represented an earlier attempt by Congress to control Medicare spending. SGR was linked to the Balanced Budget Act of 1997, and it tied annual increases in physician payments to the annual rate of growth in the national GDP. When this formula proved unworkable, resulting in decreasing payments to physicians, Congress responded with a series of temporary adjustments. Between 2003 and 2014 Congress acted 17 times to forestall SGR payment reductions to physicians. Most recently, for example, the SGR formula was scheduled to produce a 21% decrease in physician payments on April 1, 2015, a situation with immediate implications for claims sent to Medicare for payment this year.

The new law creates more predictability for funding and payment levels. Payments will increase by 0.5% each year from 2015 through

2019, when MIPS kicks in. From 2019 to 2025 payment rates will be maintained at current levels, with payments for individual physicians adjusted up or down based on how their MIPS results compare to a national composite scoring system. In 2026 and beyond, additional incentives will be available for physicians in accountable care organizations (ACOs) or other advanced payment models (APMs).

The MACRA legislation kills off the highly unpopular SGR system, but it is not free. The \$200 billion cost will be somewhat offset by increasing Medicare rates for wealthier beneficiaries and by establishing higher deductibles for Medigap policies. The net cost to taxpayers is expected to be \$141 billion over ten years.

Employee Spot Lights

Reach for the Stars:

Jan, Feb, March 2015 Winners:

Tammy N., Jody S., Sherry H., Judi J., & Mandie M.

Q1 2015 Winner:

Judi J.

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Addressing Complexity with Certainty