

## Medicare Participation Options

From mid-November through December 31, physicians will have their annual opportunity to review and perhaps change their participation status with the Medicare program. Given the severe Medicare payment disruptions caused this year as Congress established and then missed multiple deadlines to stop payment cuts caused by the sustainable growth rate formula, the WVSMA is encouraging physicians to prepare for this opportunity and review their options carefully.

During every year of the last decade, physicians have faced a significant Medicare payment cut. These cuts are a result of a flawed Medicare physician payment formula called the sustainable growth rate (SGR). Several times this year Congress was unable to pass legislation in time to avert cuts. As a result, Medicare carriers were instructed to hold and stop processing claims in order to avoid paying them at the reduced rates.

Once again physicians face a 23 percent cut in Medicare payments on Dec. 1, 2010, followed by an additional 6 percent cut on Jan. 1, 2011.

The West Virginia State Medical Association and the American Medical Association (AMA) will work vigorously to prevent these

cuts. Physicians need to prepare contingency plans in the event Congress fails to act to avert the looming cuts of nearly 30 percent.

Physicians will have until Dec. 31, 2010, to modify their status with the Medicare program. As of that date, physicians should have a better idea of what the Medicare 2011 fee schedule will be. To help ensure that physicians are making informed decisions about their contractual relationships with the Medicare program, we are providing the following overview of the various participation options. It is important to note that the WVSMA and the AMA are not advising or recommending any of the three options; rather we want to ensure that physicians have complete information in order to make decisions about their Medicare participation.

The three Medicare options for physicians include:

*Sign a Participation Agreement (PAR).* By doing this, the physician accepts Medicare's allowed charge as payment in full for all of their Medicare patients.

*Elect Non-Participation Status (non-par).* This option permits physicians to make assignment decisions on a case-by-case basis and to bill

patients for more than the Medicare allowance for unassigned claims.

*Become a Private Contracting Physician.* This means that the physician may bill patients directly and forego any payments from Medicare to their patients or themselves. To become a private contractor, the physician must give 30 days notice before the first day of the quarter the contract takes effect.

Those considering a change in status should first determine that they are not bound by any contractual arrangements with hospitals, health plans or other entities that require them to be PAR physicians. Physicians who want to continue their current PAR or non-PAR status do not need to take any action. However, those who want to change their status will need to notify the West Virginia contractor, Palmetto GBA, in a written document that is received or post-marked on or before Dec. 31, 2010.

Those physicians who wish to change their status from PAR to non-PAR or from non-PAR to PAR are required to do so before Dec. 31, 2010, even if Congress fails to act in time to prevent the payment cuts on Dec. 1 and Jan. 1. Unless CMS reopens the enrollment period, this decision is binding throughout the calendar year.

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## WVRHITEC Names Director

The West Virginia Regional HIT Extension Center names Dwayne Edwards as REC Director.

Dwayne Edwards has been named the REC Director for the West Virginia Regional HIT

Extension Center (WVRHITEC). The WVRHITEC is a new federally funded program under the West Virginia Health Improvement Institute designed to aid West Virginia health centers and

medical professionals as they work to implement and use certified health information technology and achieve health improvement outcomes through "meaningful use."