

**NCMS PRESENTS:**

# [WWW.NCMEDSOC.ORG/](http://WWW.NCMEDSOC.ORG/) **HEALTHREFORM**

Providing you with information on the key components of the Affordable Care Act & other Federal and State laws and programs that may affect you and your practice.



## **INSIDE:**

**Federal and State  
Health Care Program  
Highlights for the  
Medical Professional**

North Carolina



**Medical Society**

*Leadership in Medicine*

## Major Affordable Care Act (ACA) Provisions

- **The Individual Mandate:** This provision, widely considered the centerpiece of the law, requires all U.S. citizens to obtain a minimum level of health insurance coverage or pay a penalty if they have not signed up by March 31, 2014.
- **Health Insurance Exchanges/Marketplaces:** ACA-established website that helps the uninsured shop for health insurance and makes coverage more affordable. Many individuals who buy coverage through the Marketplace will be eligible for subsidies to help cover premium costs. The federal government, which is operating North Carolina's Marketplace, has experienced severe technical problems with the rollout since open enrollment began on October 1, 2013.
- **Expansion of State Medicaid Programs:** Though not a requirement, the U.S. Supreme Court held that each State may expand Medicaid. North Carolina chose not to expand its Medicaid program.
- **Independent Payment Advisory Board (IPAB):** A 15-member board that establishes spending targets for Medicare. If Medicare is expected to exceed the targets, the IPAB will propose recommendations to Congress and the President to reduce the growth rate. When legislators drafted the ACA, they set a trigger for IPAB. As of April 30, 2013, Medicare's chief actuary determined Medicare cost growth would not be high enough to call the IPAB into action. Therefore, there is no applicable savings target for implementation year 2015.
- **Medicare Shared Savings Program (MSSP):** A voluntary program that facilitates coordination and cooperation among providers to improve the quality of care for Medicare Fee-For-Service (FFS) beneficiaries and reduce unnecessary costs. Eligible providers, hospitals, and suppliers may participate in MSSP by creating or participating in an Accountable Care Organization (ACO).
- **Medicare Bundled Payments for Care Improvement Initiative:** Voluntary initiative that will align payments for services delivered across an episode of care, such as a heart bypass or hip replacement. It aims to reduce program expenditures so that hospitals, physicians and post-acute care providers can coordinate and share in savings from improving care and lower costs.
- **Physician Feedback/Value-Based Payment Modifier Program:** Provides comparative performance information to physicians and medical practices so they can improve the care they deliver and so CMS can move toward physician reimbursement that rewards value rather than volume. By 2017, the Value-Based Payment Modifier is to be applied to all physicians who bill Medicare for services provided under the physician fee schedule.
- **Sunshine Act:** Requires manufacturers of drugs, medical devices and biologicals that participate in U.S. federal health care programs to report certain payments and items of value given to physicians and teaching hospitals. Manufacturers are required to collect and track payment, transfer and ownership information beginning **Aug. 1, 2013**. Manufacturers will submit the reports to CMS on an annual basis.

## American Recovery and Reinvestment Act (ARRA)

- **Meaningful Use (MU):** The set of standards set forth in ARRA of 2009 and defined by CMS Incentive Programs that governs the use of electronic health records (EHR) and allows eligible providers and hospitals to earn incentive payments by meeting specific criteria. The NCMS Foundation provides MU consulting and learning opportunities through its PractEssentials practice management consulting program.
- **Health Information Technology for Economic and Clinical Health (HITECH) Act:** Promotes the adoption and meaningful use of health information technology. Subtitle D of the HITECH Act addresses the privacy and security concerns associated with the electronic transmission of health information through several provisions that strengthen the civil and criminal enforcement of the HIPAA rules.

### Sustainable Growth Rate (SGR)

- Enacted by the Balanced Budget Act of 1997, the SGR is a component of the formula CMS uses to calculate physician payments for providing services to Medicare patients. Without congressional intervention, Medicare physician payment rates will be cut approximately 40 percent by 2016.

### ICD-10

- On **October 1, 2014**, the entire health system must complete a massive transition by phasing out ICD-9 diagnoses codes in favor of the more descriptive ICD-10 codes. The ICD-10 mandate was officially adopted under HIPAA in 2008. A delay of the current October 1, 2014 effective date is unlikely.

### Physician Quality Reporting System (PQRS)

- A reporting program that began in 2007 through the Tax Relief and Healthcare Act of 2006 that uses a combination of incentive payments and negative payment adjustments to promote reporting of quality information by eligible professionals.

### NC Medicaid Withhold for Specialists and Primary Care Doctors

- Three (3) percent payment withholds will begin January 1, 2014, for all providers with 2014 dates of service. There is an exception for primary care since under the ACA these physicians are paid Medicare rates through 2015. Therefore, those services will not be subject to the withhold. NCDHHS must have a plan in place by July 1, 2014 outlining how the various provider-types may qualify to receive some of the withheld funds back.

### Patient-Centered Medical Home (PCMH)

- A program through the National Committee for Quality Assurance (NCQA) that emphasizes care coordination and communication with all of a patient's health providers, as well as his or her family, to transform primary care practices into medical homes. A medical home encompasses five functions/attributes: Comprehensive Care, Patient-Centered, Coordinated Care, Accessible Services, and Quality and Safety. The Joint Commission and the Utilization Review Accreditation Commission (URAC) also have PCMH recognition programs.

### Patient-Centered Specialty Practice (PCSP)

- A program through the NCQA, PCSP recognizes specialty practices that have successfully coordinated care with their primary care colleagues and each other, and that meet the goals of providing timely access to care and continuous quality improvement. The program also addresses reducing the duplication of tests, measuring performance and improving communication with patients.

### Blue Quality Physician Program (BQPP)

- A Blue Cross and Blue Shield of North Carolina voluntary, incentive program that demonstrates a primary care practice's commitment to patient-centered care and quality. BQPP eligible providers are: Family Practice, Internal Medicine, Pediatrics, OBGYN, and General Practice. Patient-Centered Medical Home Recognition is one of the prerequisites for achieving the incentives.

**QUESTIONS?**

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