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MONTHLY REPORT July/August 2007

From the President

Jonathan Levison, MD

I hope that this newsletter finds all enjoying the summer!

The Centers for Medicare and Medicaid Services has commenced their Physician Quality Reporting Initiative (PQRI) as of July 1, 2007. As it pertains to the field of Vascular Surgery, there are four measures to note (No.11, 20, 21, 22 and 23). The upshot of the program is that if a physician is compliant in documenting and coding in 80% or more of cases for the base period 7/1/07-12/31/07, they will be eligible for a 1.5% bonus at the end of the year. For more details regarding coding, documentation, etc. I would refer you to the following website: <http://www.cms.hhs.gov/PQRI/>

The Medicare Carrier Advisory Committee meeting was recently held, during which it was noted that a new claim form CMS-1500 (08-05) was mandated as of July 2, 2007. All improperly completed claims will be returned for correction. In addition, the full implementation of the National Provider Identifier has been delayed until May 23, 2008.

During the same meeting, Local Coverage Determination for venous surgical procedures (i.e. stripping/ligation, endovenous ablation, phlebectomy, etc.) was discussed. VSNJ has requested that more than one service be allowable for the treatment of one leg (i.e. endovenous ablation and phlebectomy) in the same setting. As it stands currently phlebectomy is not recognized as a distinct procedure when performed concomitantly with endovenous ablation.

A speaker has been selected for this upcoming **Fall Dinner Meeting November 1, 2007 at The Manor, West Orange**. Larry Scher, MD, has been invited to speak on the subject of medical malpractice claims involving the field of Vascular Surgery. He has reviewed large numbers of cases and has data that all will find applicable.

From the State Capitol

Beverly J. Lynch

The Legislature is in recess for the summer months, and no activity is expected until following the November 6 election. But we've been busy in Trenton on several regulatory issues, including...

Aetna Slammed by DOBI

DOBI levies nearly \$9.5 million in penalties against Aetna Health

On July 23, 2007, the Department of Banking and Insurance (DOBI) filed an administrative order levying \$9,475,000 in fines against Aetna Health Inc. for refusing to appropriately cover certain services provided by out-of-network health care providers – including emergency treatment – in violation of New Jersey rules and regulations.

In June, DOBI received numerous complaints after Aetna issued a letter to health care providers stating that the company had determined what was “fair payment” for services rendered by non-participating physicians and health care facilities and that “additional reimbursement would not be considered.” This included services by non-participating providers that were required under New Jersey law, such as emergency care, services provided by non-participating providers during an admission to a network hospital, and services rendered as the result of a referral or authorization by Aetna.

The letter stated that Aetna determined that 125 percent of the Medicare allowable amount was fair payment, and 75 percent for lab fees and durable medical equipment. As a result, many patients were subject to receiving bills for the amount Aetna would not pay, creating significant financial exposure. Under such circumstances, New Jersey regulations state that members of a health maintenance organization (HMO) have the right to “be free from balance billing by providers for medically necessary services...”

DOBI Commissioner Steven M. Goldman signed the order requiring Aetna to cease its limited reimbursement practice, to reprocess all claims for services rendered by non-participating providers adversely affected by Aetna’s unfair practices, and make payment to those providers based on the billed amount plus 12 percent interest from the date the claim was initially paid, in addition to the monetary penalty.

Aetna has 30 days to request an administrative hearing objecting to the order. If no hearing is requested, the order will then become final.

PIP Regulations Expected Shortly

Physicians are bracing for the adoption of the PIP fee schedule regulations, which have been in proposed form for nearly one year. Thousands of comments were received; numerous meetings have been held with the Department of Banking and Insurance; key legislators have been engaged; important legislation was introduced on the physician’s behalf and has been released by the Assembly Financial Institutions Committee. The Department, in a recent meeting with several physician representatives, stated they have reworked the fee schedule and it will not mirror Medicare rates. Unfortunately, they are not willing to show it to us prior to its adoption. Stay tuned. We will be back to you as soon as it’s released.

Cultural Competency Regs Unveiled

VSNJ has provided comments to the State Board of Medical Examiners on the newly proposed cultural competency regulations, calling for a reduction from the 6 hours of CME to two; reducing licensure fees to cover the cost of obtaining the CMEs (as a state mandate); and permitting groups and organizations to offer the CME coursework.

Commission on Rationalizing Health Care Resources Delivers Interim Report

As a first step in examining New Jersey's health care delivery system, the Commission on Rationalizing Health Care Resources released its interim report. The report analyzes the financial condition of the state's acute-care hospitals and outlines a method for determining which hospitals are essential to maintaining health care access in their communities. Governor Corzine established the Commission by Executive Order to examine New Jersey's health care delivery system and advise him on the best ways to improve the health of that system. The Commission's final report is expected by December 1.

The 12-member Commission also includes experts in medicine, nursing, hospital administration, community health, law, public health and health policy.

New Jersey government is a major purchaser of hospital services, the report notes. Taxpayers provide nearly one-quarter of all hospital revenue – or nearly \$3.7 billion – through the Medicaid program, the Family Care affordable health insurance program, charity care and other hospital grants, and care for current and retired public employees.

In making decisions about the state's health care system, such as whether a hospital is essential to its area, policymakers must look at hospitals within their defined market areas, the report says. Guided by the work of researchers at Dartmouth University, the Commission identified eight hospital market areas in New Jersey based on patient use patterns.

To determine whether a hospital in an area is a candidate for state support, the commission proposed evaluating two factors – how financially viable the hospital is and how essential it is to maintaining community access.

Financial viability should be measured by looking at a hospital's profitability, its capital structure and its liquidity or cash on hand. How essential a hospital is should be determined by looking at its occupancy rates, its Medicaid and uninsured inpatients and emergency department visits, its trauma services designation and other measures. Other issues, not so easily quantified, should also be considered – such as impact on travel time for hospital care or impact on particular racial and ethnic groups.

Hospitals that are more essential, but less financially viable could then be further examined for possible financial and other support from the state. More essential hospitals that are in better financial condition could be monitored for possible signs of fiscal deterioration.

To view the full report on the web, go to www.nj.gov/health/rhc/documents/interim_report.pdf

SAVE THE DATE!

The **Sixth Noninvasive Vascular Laboratory Symposium** will be held Friday, September 28, 2007 at The Parsippany Hilton. This event will be co-sponsored by VSNJ and Overlook Hospital and members will, again, be entitled to a \$50 fee reduction.

This year, a companion symposium, **Perspectives in Vascular Nursing 2007** will run concurrently at the same location. We encourage you to alert those colleagues in the nursing profession to this unique opportunity.

For more information contact VSNJ at 609-392-7553.

Coming up in 2007/2008...

Friday	September 28	Non-Invasive Vascular Conference Parsippany Hilton
Thursday 6:30 pm	November 1	Fall Dinner/Membership Meeting The Manor, West Orange (NOTE: New Location!)

2008

Wednesday	March 12	Annual Scientific Meeting Nanina's in the Park, Belleville, NJ (NOTE: New Location!)
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