AOPA In Advance SmartBrief
Breaking News
December 17, 2015

AOPA Headlines:

Congress Close to a Deal on Funding of the Federal Government; Modest Potential Impact on O&P and Suspension of Medical Device Excise Tax for Non-O&P in Play

On Wednesday, December 16th, President Obama signed a short term spending measure that will allow the Federal government to continue to operate until December 22, allowing Congress to finalize its long anticipated Omnibus appropriations and tax break extender legislation that will fund the Federal government for the remainder of the 2016 fiscal year. Two important provisions of this legislation that are of significance to O&P are the limitation of Medicaid reimbursement rates for Durable Medical Equipment to current Medicare rates and a 2 year moratorium of the 2.3% medical device excise tax.

The provisions that would limit Medicaid reimbursement for DME to current Medicare rates may result in significant reductions in Medicaid payments for DME due to significant reductions in Medicare payments as a result of competitive bidding. These provisions would not have an immediate impact on O&P services since they are not currently included in current competitive bidding programs. If CMS eventually acts to exercise its sole competitive bidding authority as to O&P , i.e. if CMS were to incorporate off the shelf (OTS) orthoses into future competitive bidding programs, it would also likely result in a significant impact reducing Medicaid payments for this limited category of OTS (only) orthotic devices in the future.

The second provision would create a 2 year moratorium of the 2.3% medical device excise tax, a tax that AOPA has opposed since its inception. While this would be good news for the DMEPOS industry in general, it is important for AOPA members to recognize three facts relative to the pending deliberations on the omnibus bill, and the provision calling for a two-year moratorium of the 2.3% medical device excise tax:

1. AOPA's efforts with the Department of Treasury and the IRS secured a decision in 2012 that recognized, from the very inception of the medical device excise tax, that O&P devices are, and remain exempt from the tax at both the manufacturer and patient care facility levels.

2. Nonetheless, AOPA has consistently advocated the complete elimination/repeal of the medical device excise tax as it is an unnecessary burden on all medical device companies, and thereby, upon all of American health care.

3. Whether or not the pending omnibus spending bill is actually enacted in its current form and results in a two-year moratorium of the medical device excise tax or not, the long-standing, permanent exemption secured for O&P in 2012 remains fully in force and applicable without change. The O&P exemption is completely distinct and independent of the current discussions on suspending the 2.3% tax that has been applicable to virtually all others selling medical devices.

AOPA will continue to monitor the status of the pending omnibus bill as it moves closer to passage, presumably next week.

Questions regarding this issue may be directed to Joe McTernan at jmcternan@aopanet.org or Devon Bernard at dbernard@aopanet.org.

Jurisdiction B Releases Pre-Payment review Results for Spinal Orthoses

The National Government Services, the Jurisdiction B DME MAC, recently released results of its ongoing widespread pre-payment review for spinal orthoses.

Between July 1, 2015 and September 30, 2015, a total of 289 claims were reviewed. 60 claims were allowed and 229 claims were denied, resulting in a claim error rate of 79.24%. The majority of the claim denials were due to a lack of medical necessity documentation or missing proof of delivery documentation. It is important to note that many of the proof of delivery denials were due to there being no proof of delivery at all as opposed to an incomplete or non-compliant proof of delivery.

While the overall claim denial rate of 79.24% represents a significant reduction from previous quarters, where denial rates were as high as 97%, the denial rate is still too high to consider reducing or eliminating pre-payment audits for spinal orthoses.

AOPA would like to remind our members of the importance of obtaining and maintaining Medicare compliant documentation in order to support your Medicare claims.

Questions regarding this issue may be directed to Joe McTernan at jmcternan@aopanet.org or Devon Bernard at dbernard@aopanet.org.

Regulatory Updates - Two Bills of Interest to O&P Introduced in Congress

The long-awaited Senate Finance Committee AFIRM bill has been introduced by Chairman Hatch as S. 2368. This bill has a potential companion discussion draft—a series of additional steps is being advanced for the consideration of the Senate Committee, and this Discussion Draft includes a number of provisions that are of particular interest to AOPA members, and the broader O&P community including our patients. In the AFIRM bill and the Discussion Draft—you will see, for example, inclusion of the orthotist/prosthetist notes language, the separation of O&P from DME, and the minimal self-adjustment language in the Discussion Draft (but not presently in S. 2368). As to S. 2368 itself, there is clearly less there that would be a plus for the O&P community, but the provisions from the discussion draft would be beneficial to O&P.

Rep. Tom Price, (R-GA) has introduced H.R. 4185, the Protecting Access through Competitive-pricing Transition Act. Rep. Price is on the House Ways & Means Committee, is the Chair of the House Budget Committee, and is himself an orthopedic surgeon. In H.R. 4185 he articulates his vision for a pricing model alternative to competitive bidding. On the last two pages of his bill, he has included language of importance to AOPA and O&P with respect to clarifying the meaning of 'minimal self- adjustment' for OTS orthotics.

AOPA Funded Systematic Review Protocol by Dr. Michael Dillon, PhD, Now Available

AOPA's commitment to O&P research has resulted in an increase of funding to pilot grants, systematic reviews, and other special projects. The protocol for a recently funded systematic review is available to read now. This is an increasingly relevant topic: it is a systematic review of outcomes of dysvascular partial foot amputation and how these compare to transtibial amputation, by principle researcher Dr. Michael Dillon, PhD, of La Trobe University in Victoria, Australia. Please note that the completed Systematic Review will be available in 2016.

Read the protocol for the review "Evaluating Outcomes of Dysvascular Partial Foot and Transtibial Amputation: A Systematic Review and Development of Shared Decision Making Resources".

PDAC Announces Coding Verification Review for Ankle Gauntlets

The Pricing Data Analysis and Coding contractor (PDAC) has announced that due to a change in the 2016 descriptor verbiage for L1902 and L1904, it will initiate a new coding verification for any ankle gauntlet style devices that contain joints that are currently listed on the PDAC site under L2999. You can read the announcement here.

It is important to note that PDAC coding verification for products described by L1902 and L1904 is not mandatory under current Medicare policy guidelines. The coding verification review only applies to products that have been voluntarily submitted to the PDAC for coding verification in the past, and only applies to ankle gauntlet style devices that contain joints and were previously verified as L2999 through the PDAC coding verification process. Ankle gauntlet style devices that do not contain joints and have been voluntarily submitted and verified by PDAC as coded as L1902 or L1904 in the past should not be affected.

Questions regarding this issue may be directed to Joe McTernan at jmcternan@aopanet.org or Devon Bernard at dbernard@aopanet.org.

Registration is Open for the First Coding & Billing Seminar of 2016

With New Proof of Delivery requirements, RAC audits are back, ICD-10 requirements, Prior Authorization and Competitive Bidding on the Horizon - a lot of changes occurred in 2015 and more changes are ahead in 2016; are you ready? Are you still compliant? Stay on top of the changes by attending the AOPA Essential Coding & Billing Techniques Seminar.

The first AOPA Essential Coding and Billing Techniques Seminar of 2016 will be held at the Marriot Westshore in sunny Tampa, Florida on January 25-26, 2016. Don't miss this opportunity to experience two days of valuable O&P coding, billing, documentation, audit and appeal information from the AOPA experts.

Don't forget that the Essential Coding and Billing Seminar includes breakout sessions for practitioners and administrators, and each breakout session will focus on each group's specific interests and educational needs. You also have the ability to submit any specific questions ahead of time and the AOPA experts will be sure to answer these questions. Register for the seminar today and learn what you want to learn and learn what you need to know.

Click here to register for the January 25-26 AOPA Essential Coding and Billing Techniques Seminar.

Questions? Contact Ryan Gleeson at rgleeson@AOPAnet.org or Yelena Mazur at ymazur@AOPAnet.org.

2016 DMEPOS Fee Schedule Released – Call to Action

On November 23, 2015, the Centers for Medicare and Medicaid Services (CMS) released the 2016 Medicare DMEPOS fee schedule. As if the challenges to the O&P field were not enough, Medicare fees for orthotic and prosthetic devices will be slightly lower in 2016 than they were in 2015. The reduction is the 2016 fee schedule is a result of a combination of the increase in the Consumer Pricing Index for urban areas (CPI-U) from June to June of the previous year, and the annual Mutli-factor Productivity Adjustment. The CPI-U increased by a total of 0.1% from June 2014 to June 2015 and the 2016 Productivity Adjustment was calculated as -0.5%. The combination of these two factors will result in an overall decrease of 0.4% in the 2016 Medicare O&P fee schedule.

While a decrease in the fee schedule is not unprecedented, the 2016 decrease is the first one since 2011, when the Productivity Adjustment was first introduced as a result of the passage of the Patient Protection and Affordable Care Act (ACA) in 2010.

The reduction in the 2016 O&P fee schedule, in addition to the recent CMS announcement that the four existing Recovery Audit Contractors (RACs) have been authorized to begin performing regular audits again until CMS is able to negotiate new RAC contracts cannot be allowed to go unchallenged. AOPA is preparing a call to action effort where it will ask its members to, once again, reach out to their legislators in Washington, DC for assistance. While a 0.4% reduction in the 2016 O&P fee schedule may not seem like a big deal by itself, the added pressure that renewed RAC audits will bring, along with the current sequestration based reimbursement reduction of 2% for all Medicare claims, creates an extremely hostile business environment for O&P providers.

AOPA is preparing a letter that AOPA members, through the AOPAVotes website, can quickly and easily send to their legislators that will ask them to consider sponsoring or supporting legislation that will require CMS and its contractors to recognize the clinical documentation of prosthetists and orthotists as an integral part of the patient's medical record. AOPA believes that accepting these notes as part of the medical record will significantly reduce the number of unfavorable RAC audits that are driving quality O&P providers out of business. Watch your e-mail for an update on this call to action in the next few days.

Questions regarding this issue may be directed to Joe McTernan at jmcternan@aopanet.org or Devon Bernard at dbernard@aopanet.org.

Jurisdiction A DME MAC Releases Pre-Payment Audit Results

The Jurisdiction A DME MAC contractor recently published results of two widespread pre-payment reviews involving claims for L4360 (custom fitted pneumatic walking boot) and L1940 (custom fabricated plastic AFO).

The pre-payment review for L4360 involved 156 claims with an overall claim denial rate of 96.7%. The overwhelming reason for claim denial (97%) was lack of documentation supporting the medical need for a custom fitted device instead of an off the shelf device. In addition, for 39% of the claims, no response to the additional documentation request (ADR) was received, resulting in an automatic denial. While Medicare claims data shows that the majority of devices described by L4360 were provided by podiatrists (30.9%) and orthopedic surgeons (25.9%), O&P professionals provided approximately 20% of the devices described by this code in 2013. The extremely high denial rate should serve as a reminder to ensure that your documentation as well as the referring physician's documentation not only supports the general medical need for a walking boot, but also supports the need to customize the walking boot to meet the individual clinical needs of the patient.

The pre-payment review for L1940 included 114 claims with an overall claim denial rate of 78.5%. While this claim denial rate is not as high as the claim denial rate for L4360, it remains a fact that 3 of every 4 claims were denied. Significant factors contributing to the claim denial rate were a lack of clinical documentation (23%), no detailed written order (13%), and missing proof of delivery documentation (18%).

While AOPA members do not have any direct control over the clinical records of referral sources, they do have the ability to control both detailed written orders and proof of delivery documentation. Making sure that these two vital pieces of documentation are complete and compliant could reduce the claim denial rate by as much as 30%. AOPA will continue to monitor pre-payment review results for both of these codes going forward.

Questions regarding this issue may be directed to Joe McTernan at jmcternan@aopanet.org or Devon Bernard at dbernard@aopanet.org.

Mark Your Calendars for the 2016 Webinars

WEBINAR WEDNESDAYS

Register for AOPA's 2016 Webinar Series and earn 1.5 credits each month. Register for the Whole Series and get 2 free Webinars! Just $990 for members and $1990 for non-members.

2016 Webinar Topics

January 13: Prepayment Reviews: What You Need to Know to Pass

February 10: SNF Billing: Beyond the Basics (The Ins and Outs)

March 9: Shift the Liability: The Proper Use of the ABN Form

April 13: Understanding Shoes, Mastectomy, & Other Policies

May 11: When Things Go Wrong: Making Lemonade out of Lemons

June 8: Physician Documentation: How to Get It & How to Use It

July 13: Strategies and Levels: How to Play the Appeal's Game

August 10: The Supplier Standards: Are You Compliant?

September 14: Fill in the Blanks: Know Your Forms

October 12: KO Policy: The ABC's of the LCD and PA

November 9: Don't Miss Out: Are You Billing For Everything You Can?

December 14: New Codes and What Lies Ahead for 2017

REGISTER NOW

Upcoming AOPA Events

January 13, 2016	*Pre-Payment Reviews: What You Need to Know to Pass* AOPA Webinar Learn more or register here
January 25-26, 2016	Mastering Medicare: Essential Coding & Billing Techniques Seminar Tampa, FL Learn more or register here
February 10, 2016	*SNF Billing: Beyond the Basics (The Ins and Outs)* AOPA Webinar Learn more or register here