



American Orthotic & Prosthetic Association

www.AOPAnet.org

## **AOPA In Advance SmartBrief**

*Breaking News*

December 1, 2015

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### **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 in 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 Multi-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](mailto:jmcternan@aopanet.org) or Devon Bernard at [dbernard@aopanet.org](mailto: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](mailto:jmcternan@aopanet.org) or Devon Bernard at [dbernard@aopanet.org](mailto:dbernard@aopanet.org).

### **2016 Medicare Premiums & Deductibles Announced**

The Centers for Medicare and Medicaid Services (CMS) has announced the Medicare premium and deductible rates for 2015. The monthly Medicare Part B premium will begin at \$104.90, the same

as it was in 2015. The Medicare Part B deductible for 2015 has increased by \$19 and will be set at \$166.00; the Medicare Part B coinsurance remains at 20 percent of the Medicare allowed charge. The Medicare Part A deductible for 2016 is set at \$1,288 which represents a \$28 increase over the 2015 amount, and the daily co-insurance amount for days 61-90 is \$322 and the lifetime reserve day's rate is set at \$644. Lastly, the SNF Part A extended care days (day 21-100) will be \$161 for 2016.

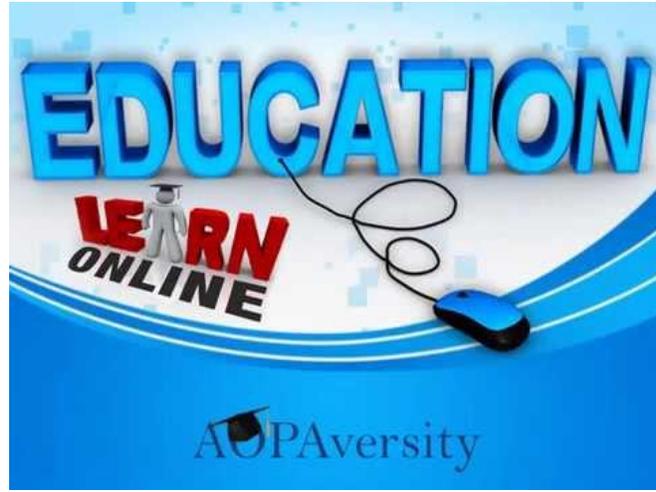
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### Renew Your AOPA Membership for 2016

We know how busy things can get at this time of year, so we've made it easier for you to check one very important item off your list. Membership renewal invoices are in the mail. To renew your AOPA membership for 2016 (for your company and all staff), simply select one of the easy methods below:

1. **Online.** Sign in now at [www.AOPAnet.org](http://www.AOPAnet.org) with your username and password to pay by credit card.
2. **Mail a check** payable to AOPA along with your invoice to AOPA, P.O. Box 34711, Alexandria, VA 22334.
3. **Fax** your invoice with credit card payment information to 571-431-0899.
4. **Call** us at 571-431-0876 with credit card details and we will handle the renewal process for you.

Your 2015 membership expires December 31, 2015. You won't want to let important benefits lapse in the new year ahead. And don't forget it was the power of unity that helped squelch the harmful prosthetic LCD Policy Article in its original form – your company made the resources possible to make that fight successful. We need your continued support.

If you need assistance or have questions about your 2016 membership invoice, please contact us at [bleppin@aopanet.org](mailto:bleppin@aopanet.org) or 571-431-0810.

# 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**

## Attend the Amputee Coalition Webinar

The Amputee Coalition is hosting a live Webinar entitled, "Upper-Limb Amputations and Prosthetic Advancements," co-hosted by Hanger Clinic and presented by Matthew Mikosz, CP, LP.

This informative Webinar will address many of your key questions, such as:

- How can I find the prosthetist that works best for me?
- What should I expect on my first visit?
- What prosthetic technology is available and is right for me?

The presentation will be followed by an open Question and Answer session to address any additional questions that you might have.

If you are not able to attend the Webinar, it will be posted on our Web site after the conclusion.

When: Wednesday, December 9, 2015 at 1pm EST

[Click here to Register now!](#)

## Upcoming AOPA Events

December 9, 2015	<i>Bringing in the New Year: New Codes and Changes for 2016</i> AOPA Webinar <a href="#">Learn more or register here</a>
January 2016	Mastering Medicare: Essential Coding & Billing Techniques Seminar Tampa, FL
January 13, 2016	<i>Pre-Payment Reviews: What You Need to Know to Pass</i> AOPA Webinar <a href="#">Learn more or register here</a>