



American Orthotic & Prosthetic Association

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## **AOPA In Advance SmartBrief**

*Breaking News*

December 24, 2015

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### **Happy Holidays and Happy New Year from AOPA!**



On behalf of the AOPA Board of Directors and staff, we wish you and yours a very safe and Happy Holiday Season. We are extremely grateful for our current and new members and the O&P Community. 2015 has brought its various challenges and we will continue to strive for positive change in 2016. AOPA will be closed on December 25<sup>th</sup> through December 31<sup>st</sup>. The office will resume normal business hours of 9AM to

5:30PM (EST) on Monday, January 4<sup>th</sup>, 2016. We can't wait to see you and all our new members in the New Year!

Has the holiday season made you forget to renew your AOPA membership? It is not too late; login with your username and password at [www.aopanet.org](http://www.aopanet.org), send a fax via (571) 431-0899, or give us a quick call at (571) 431-0876. You can also mail us a check to our address found on our website.

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.

## **National Supplier Clearinghouse Publishes Revision to Consignment Closet Requirements**

The National Supplier Clearinghouse, the Medicare contractor responsible for issuing Medicare Provider Transaction Access Numbers, commonly known as supplier numbers, has recently released the following statement regarding supplier compliance with the rules governing consignment closets under the Medicare program.

“Recently the Centers for Medicare & Medicaid Services (CMS) released clarification outlining the use of consignment closets. An enrolled durable medical equipment, orthotics, prosthetics and supplies (DMEPOS) supplier can place DMEPOS at a location which is not enrolled, if that location is a medical supplier/provider facility (e.g. physician office, hospital). The medical supplier/provider facility can dispense the DMEPOS from a consignment closet to a Medicare beneficiary. The DMEPOS supplier can bill for the DMEPOS when the following conditions are met.

- The medical supplier/provider facility medically treats the Medicare beneficiary.
- The DMEPOS supplier cannot be present or perform any functions at the medical provider/supplier facility.

Suppliers involved in these arrangements, commonly referred to as consignment closets, are still required to meet current supplier standards.”

This publication appears to be focused on preventing suppliers from providing services to patients within another medical provider’s office without obtaining and maintaining a separate PTAN number for that location.

For further information regarding this clarification, please contact Joe McTernan at [jmcternan@aopanet.org](mailto:jmcternan@aopanet.org) or Devon Bernard at [dbernard@aopanet.org](mailto:dbernard@aopanet.org).

## **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 16<sup>th</sup>, 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](mailto:jmcternan@aopanet.org) or Devon Bernard at [dbernard@aopanet.org](mailto: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](mailto:jmcternan@aopanet.org) or Devon Bernard at [dbernard@aopanet.org](mailto: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.

## Order the 2016 Quick Coder Set Now Available



Order your 2016 Quick Coder Set Today. Stop searching through numerous pages to find a code! AOPA's redesigned Quick Coder provides a speedy reference to the HCPCS orthotic, shoe and prosthetic codes and modifiers. These laminated cards are durable, long-lasting and convenient to store. The 2016 Quick Coders sell for \$30 to AOPA members and \$80 for non-members. Order the [2016 Quick Coder here](#).

## Join the Coding & Billing Experts in Tampa

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. Book your room prior to the January 4, 2016 cutoff for the special \$169 rate.

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](mailto:rgleeson@AOPAnet.org) or Yelena Mazur at [ymazur@AOPAnet.org](mailto: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 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).

# 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](#)