



Florida Orthopaedic Society Medical Economics Committee Monthly Practice Management Tip



June 2004

GOVERNOR BUSH SIGNS FOS BILL INTO LAW – Last week, Governor Bush signed SB 1088 into law. The bill, written and filed by the Florida Orthopaedic Society, requires HMO's to disclose their entire schedule of fees to contracted physicians. The bill also requires disclosure of any deviations from the schedule of fees that may include multiple procedure discounts, etc. The location of the language in the statutes also requires 30 days notice of any changes in the contracted fee schedule. This is a major victory for physicians in the state and eliminates a major area of frustration for contracted physicians. The bill takes effect on January 1, 2005. Further analysis from the FMA is attached on the following page. This is a concrete example of the growing stature of the FOS. Get involved today! Make sure your partners and colleagues are active members of the organization. A special thank you to Representative Ed Homan, M.D. and Senator Anna Cowin for sponsoring the bill.

Arthroscopic Lavage and Debridement for Osteoarthritic Knee no longer eligible for Medicare reimbursement - Beginning July 11, 2004, CMS will no longer allow Medicare coverage for certain indications of arthroscopy for the osteoarthritic knee. In a National Coverage Decision (NCD) issued on June 10, CMS determined that: (1) arthroscopic lavage alone is not a reasonable and necessary treatment option for patients osteoarthritis of the knee, (2) arthroscopic debridement is not a reasonable and necessary treatment option for patients with knee pain only, (3) arthroscopic debridement is not a reasonable and necessary treatment option for patients with severe osteoarthritis (Outerbridge classification III or IV), (4) All other indications of debridement for patients with osteoarthritis of the knee will remain at contractor discretion.

The NCD followed many aspects of the position advocated by the AAOS and other musculoskeletal societies during their deliberations with CMS during the last year. In response to further AAOS requests for clarification which kinds of indications of debridement would warrant coverage at "contractor discretion," CMS elaborated in its NCD that such indications would include: (1) mechanical symptoms that include, but are not limited to, locking, snapping, or popping, (2) limb and knee joint alignment, and (3) less severe and/or early degenerative arthritis, remain at local contractor discretion. CMS also warned that Medicare contractors might require submission of definitive documentation of such indications, such as operative notes, reports of standing x-ray, or arthroscopy results. The coverage decision can be found at: http://www.cms.hhs.gov/Manuals/pm_trans/R14NCD.pdf

Important Workers Compensation Changes – Rule 69L-7.602 (Medical Billing Rule) is scheduled to be final on July 5. Major changes have occurred in the billing rules, especially the implementation of a new DWC-25 form. Florida practices will have to comply with this new rule to participate in the Workers Compensation system. The FOS will host a Conference Call on Thursday, July 1st from noon to 1:30 pm to discuss this new requirement. Please RSVP to the Society below to participate in the call and receive additional details.

Mark Your Calendars....

FOS Power Case Coding, August 6th, Wyndham Fort Lauderdale Airport, Fort Lauderdale – This is a brand new course for the FOS requested by our members and their staff. **Power Case Coding 2004: Follow the Yellow Brick Road** is a 6-hour workshop designed for very experienced physicians, billing managers, and coding staff with a detailed knowledge of orthopaedic coding. This course will take you to the ultimate level. The registration fee is \$100 per person for FOS members and their staffs. Contact the FOS Office to Register.

FOS and Florida BONES Society Fall Conference-October 8th & 9th, Casa Monica Hotel, St. Augustine - The FOS is extremely proud to be partnering with the Florida Bones Society to host our first combined Fall Conference. Our organizations are working together to create a program beneficial for all orthopaedic practices in the state. The Fall Conference will focus entirely on practice management and administrative issues dealing with the business of orthopaedics in our state. We sincerely hope this will become an annual tradition and an event you cannot afford to miss. Please mark the dates on your calendar and look for further announcements in the coming months.

Florida Orthopaedic Society 17503 Mallard Court, Lutz, FL 33559
Phone: 813-948-8660 Fax: 813-949-8994
Email: fcobbe@tampabay.rr.com Website: www.fos-society.com

To be removed from our fax list, please contact the society above.

Florida Medical Association Advisory Bulletin

MANAGED CARE SB 1088

This bill requires a health maintenance organization (HMO), that has a contract with a health care provider, to disclose to the provider the complete schedule of all reimbursements for which the HMO and the provider of health care services have contracted, including any deviations from the contracted schedule of reimbursements requested by the HMO and agreed upon by the provider of the health care services.

The bill:

- Establishes two ways that an HMO may provide the schedule of reimbursements to providers—by electronic means or in writing. (FOS Editorial Note: The means of communication is up to the physician's discretion. If you would prefer a written copy versus an electronic copy, you may request such.)
- Clarifies that the schedule of reimbursements is subject to the nondisclosure provisions of the contract, and the provider must maintain the confidentiality of the schedule.
- Defines provider to mean a physician licensed under Chapters 458, 459, 460, 461, or 466, Florida Statutes.

NOTE: The above is added to Section 641.319, Florida Statutes, which requires that physicians be given 30 days prior written notice before any fee schedule changes occur.

- The bill redefines "schedule of reimbursements" to say that net reimbursement may vary after consideration of other factors, including, bundling codes together and member cost-sharing responsibilities according to "the terms of the contract." [Section 641.19(16), FS]. (FOS Editorial Note: Again, any deviations from the "schedule" are required to be disclosed in the contract including any bundling or cost-sharing responsibilities.)

These provisions take effect January 1, 2005.