



# The Hospitalist

AN OFFICIAL PUBLICATION OF THE SOCIETY OF HOSPITAL MEDICINE **shm**



From: *The Hospitalist*, July 2009  
**Medicare: Enroll Early**

**Hiring a hospitalist? Know the rules or they won't get paid**

by Jane Jerrard

Some healthcare providers probably missed an important change buried within the 2009 Medicare Physician Fee Schedule: New rules for physician enrollment have drastically reduced the period for retroactive billing. Effective April 1, physicians enrolling or re-enrolling with Medicare can only submit a bill for services provided up to 30 days prior to the effective date, rather than for the prior 27 months.

Those who miss this deadline will be denied reimbursement for services to Medicare patients seen before the deadline. And those who move to a new job ("change of location," in Medicare parlance) and fail to update their address within 30 days risk a two-year suspension from receiving Medicare payments.

**What It Means**

Essentially, HM group leaders must make sure they are ready to credential a new hire long before they start working. Before now, groups had months to get new hires enrolled in the Medicare system; now, with just 30 days to enroll, you need to start your credentialing and enrollment process early—before the physician's start date, if possible.

"In a nutshell, groups are going to have to be more proactive than ever before in getting paperwork submitted for new providers," says Derise Woods, operations project manager for Knoxville, Tenn.-based TeamHealth. "The situation we often face is that the provider is found and placed, and sometimes the paperwork does not get submitted right away. The natural focus is to get them on board and then get them up and running."

If that is the case in your group, you should create a checklist for enrollment in Medicare and for other payors. Then, as soon as your new hire signs the contract, require them to submit all available information (e.g., DEA number and proof of board certification).

Woods says the rule states that "retroactive billing can start from the provider's start date or from the date the enrollment is received at [Medicare], whichever is later."

Even if you don't capture all the necessary information, enroll the new physician as soon as possible. According to the Centers for Medicare & Medicaid Services (CMS), incomplete applications will be denied, but the date of the original filing will be preserved. So if a hospitalist begins working for your group Sept. 1, and you submit the enrollment application Sept. 7, the hospitalist can bill retroactively starting Sept. 7, even if that application is kicked back to you for more information and doesn't get resolved for several weeks.

**Large and Small Groups**

Missing the new enrollment deadline means reimbursement losses. Hospitalists provide services to a significant number of Medicare patients, so cutting back on retroactive billing could hurt the bottom line. "In most [HM] instances where Medicare is a large portion of income, this has potential to disrupt a practice," Woods

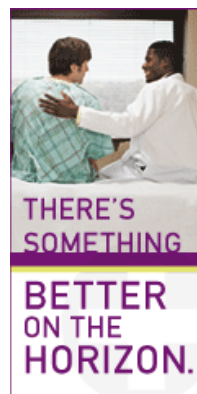
Career Development

RELATED ITEMS

- ▶ [Email this article](#)
- ▶ Filed under: [Public Policy](#), [Departments](#), [Public Policy](#)
- ▶ Keywords: [retroactive billing](#), [credentialing](#), [Medicare enrollment](#)



read our sister publication  
 Journal of  
**HOSPITAL  
 MEDICINE**



**NEW PHYSICIAN ENROLLMENT  
 ADVICE FOR HM GROUPS**

1. Create a checklist of all the information you need for Medicare enrollment and provide it to new hires.
2. Start the credentialing and enrollment process for new hires early to shorten the time frame between the time they begin seeing Medicare patients and enrollment.
3. Even if you don't capture all the information, enroll physicians as soon as possible.
4. If you contract with a third-party company to handle physician enrollment, contact them now to ensure their processes have been adapted to incorporate the new deadline.

Retroactive billing can start from the provider's start date or from the date the enrollment is received at [Medicare], whichever is later.  
 —Derise Woods, TeamHealth, Knoxville, Tenn.

current issue  
**July 2009**

HOME

READ THE HOSPITALIST

READ EWIRE NEWS

SUBSCRIBE

ADVERTISE

ABOUT US

CONTACT US

ISSUE ARCHIVE

CAREER CENTER

READ JHM

PRIVACY POLICY

OPPORTUNITIES KNOCK  
 by the hundreds



What's the No. 1 perk of working as a hospitalist?

- Personal time off
- Hours/schedule
- Bonus compensation
- Work environment
- Advancement opportunity

[View Results](#)  
 Poll Authority

The Hospitalist newsmagazine reports on issues and trends in hospital medicine. The Hospitalist reaches more than 25,000 hospitalists, physician

assistants, nurse practitioners, residents, and medical administrators interested in the practice and business of hospital medicine.

Copyright © 2000–2009 by John Wiley & Sons, Inc. or related companies. All rights reserved.

says, noting TeamHealth has yet to see the impact of the new enrollment rules.

Which entity incurs the loss of Medicare payments depends on your program's payment structure. "For instance, TeamHealth contracts with our providers and pays them an hourly rate," says Woods, explaining that the third-party contractor will suffer any loss of fees. "In a hospital-based program, the hospital might bill for the provider—and that provider may not get paid."

Smaller HM groups might not have as much experience with these changes simply because they don't hire physicians as often. "I did not know about this," says Heidi Tessler, MD, president of the Colorado Hospitalist Company in Denver. "We contract with a billing company [for physician enrollments], and we would have been caught flat-footed with our next hire."

Small groups could end up scrambling when they need to fill a position, especially if it's a quick turnover. Groups that outsource their recruiting and billing should plan to communicate with those companies to expedite the enrollment process, Woods says.

TeamHealth, the largest provider of hospital-based clinical outsourcing in the U.S., has made numerous changes to accommodate the new enrollment rules, all the way up to a new business development group. "They now take this new rule into consideration when we are planning to start providing service," Woods says. "Our recruiters are helping. They are ensuring that new providers fill out their paperwork and get it in. Understandably, physicians can let paperwork sit for a number of days."

The good news is CMS has made it easier—and faster—to enroll through a Web-based portal called PECOS (Provider Enrollment, Chain, and Ownership System), which can be accessed at [www.cms.hhs.gov/MedicareProviderSupEnroll/](http://www.cms.hhs.gov/MedicareProviderSupEnroll/).

### Central Source

SHM has consolidated essential sources on the new rules to include:

- Medicare's all-inclusive Web section on provider enrollment is [www.cms.hhs.gov/medicareprovidersupenroll](http://www.cms.hhs.gov/medicareprovidersupenroll).
- The CMS manual on enrollment is at [www.cms.hhs.gov](http://www.cms.hhs.gov). Click on "manuals," then "Internet-only manuals"; select "Publication 100-08, Program Integrity Manual," then "Chapter 10."
- AMA provides an overview on its Web site, and, with the Medical Group Management Association (MGMA), has developed a toolkit to guide physicians through the new rules. "The toolkit is probably the best resource available," says Leslie Flores, principal in Nelson/Flores Associates, a national hospitalist management consulting firm and director of SHM's Practice Management Institute. AMA and MGMA members can access the toolkit at [www.mgma.com/policy/default.aspx?id=5712](http://www.mgma.com/policy/default.aspx?id=5712).

"SHM wants to make sure we communicate these new rules to our members," says Flores, "and provide direction to resources they can use." Check [www.hospitalmedicine.org](http://www.hospitalmedicine.org) for the latest links and information. **TH**

*Jane Jerrard is a freelance writer based in Chicago.*

### POLICY POINTS

#### Shorter Life Expectancy for Medicare Funds

Medicare trustees announced in May that Medicare's trust fund is expected to be exhausted by 2017, two years earlier than previously estimated.

#### Tax Break for Employer Wellness Programs?

Congress may consider a financial benefit for employers who encourage workers to adopt healthier lifestyles; Sen. Tom Harkin (D-Iowa) is drafting a bill that would give tax credits to employers who offer wellness programs (such as periodic screenings for health issues and counseling). Another option is legislation that could make it easier for companies to offer financial rewards or penalties to promote healthy behavior among employees. Currently, employers can only offer workers incentives to improve their health that are no more than 20% of the cost of their health coverage.

#### HHS to Define "Meaningful Use" of Health Information Technology

Expect the Department of Health and Human Services (HHS) to issue guidance and specifications on the definition of "meaningful use" of health information technology (IT) sometime this summer, says David Blumenthal, national coordinator for health IT.

The economic stimulus bill included \$17 billion in Medicare and Medicaid incentive payments to healthcare providers who demonstrate meaningful use of health IT, such as electronic health records (EHR). Beginning in 2015, the law would levy penalties on those that have not yet installed EHR systems. "Those two words [meaningful use] are the key to success in health information technology policy over the next several years," Blumenthal said in May. He also said that the effort to establish a national health IT system is "joined at the hip" with healthcare reform efforts in Congress.

