

**SPECIAL  
POINTS OF  
INTEREST:**

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- **NPI Redux — timing and taxonomy codes (pages 1 & 2)**
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## Are Your Office's Patient Registration Documents & Payment Agreements As Effective As Possible?

Over the past six months or so, M.E.D.I.C., Inc. has begun to actively review the patient registration documents, payment agreements and HIPAA disclosure agreements of its clients. Every practice has its own standard forms — some which are current and capture all information necessary, and some which require updates. Having up-to-date registration documentation and agreements ensures that billing will be streamlined and your office will be paid with as little delay as possible. We look forward to working with all of our clients to update patient registration forms, thereby facilitating and hastening the billing process.

**Patient Registration Forms:** In reviewing client forms, we have come up with a sample listing of data necessary for prompt processing and payment of claims that was missing from some forms: Insurance Subscriber (for all insurance — primary and secondary) SSN, DOB, address & phone numbers; Patient's referring physician & phone number; insurance company(ies) name, phone number, address, policy & group numbers; subscriber's relationship to patient; whether the plan requires a referral; and the amount of the copay. While there are many other data points that

*Con't. on page 4*

## NPI Redux: Benchmark Dates & Taxonomy Codes

As the compliance date for obtaining and implementing the National Provider Identifier ("NPI") fast approaches, M.E.D.I.C., Inc. would like to highlight various issues and questions that have been raised by some of our clients — you know the saying, if one person has a question, it is likely that many have the same question! For a basic overview and introduction of the NPI, please see Volume 1, Issue 1 of *The M.E.D.I.C. News Quarterly*.

### **Benchmark Dates**

**1/3/06-10/1/06:** From January 3, 2006 through October 1, 2006, CMS systems will accept an NPI, however it **must be accompanied** by an existing legacy Medicare number.

**10/2/06-5/22/07:** During this

time frame, CMS systems will accept an NPI **or** an existing legacy Medicare number. However, please note that providers using their NPIs for claims submission are strongly encouraged to include their legacy numbers as a secondary identifier, so that they will be paid in the event of a problem with their NPIs. This procedure will allow for six-seven months of provider testing before Medicare insists on accepting only the NPI.

**5/23/07 and onward:** After 5/23/07, CMS systems will accept **only** the providers' NPIs for claims submission.

### **Taxonomy Codes**

When applying for their NPIs, individual providers and organizations rendering health care services will be required to select

and indicate their provider/specialty type — i.e., their taxonomy. The taxonomy codes are the numerical value assigned to each specialty type. CMS's website states that the taxonomy codes "divide health care providers into hierarchical groupings by type, classification, and specialization."

Taxonomy codes, which are 10-character alphanumeric codes, "are not 'assigned' to health care providers; rather, health care providers select the taxonomy code(s) that most closely represents their education, license, or certification."

A provider may designate multiple codes if (s)he performs services that are covered by multiple codes. Note, however, that

*Con't. on p. 2*



*Don't forget... 11  
more months  
until everyone  
must have and  
implement his/  
her new NPI...  
rumor has it that  
the NPI issuance  
system is getting  
bogged down  
and delays are  
occurring, so  
prepare in  
advance! Please  
contact  
M.E.D.I.C. should  
you need  
assistance with  
this process*

## Compliance Corner — Ensuring That You Employ Compliant Personnel

On October 5, 2000, the Department of Health & Human Services' ("HHS") Office of Inspector General ("OIG") Published the OIG Compliance Program for Individual & Small Group Physician Practices in the Federal Register. This document is aimed at "assisting providers in preventing the submission of erroneous claims, or engaging in unlawful conduct involving Federal health care programs," and promotes the government's theory is that providers "can use internal controls to more efficiently monitor adherence to applicable statutes, regulations and program requirements."

**Has one of your employees been excluded from Medicare or other governmental programs?** The first step to this internal monitoring proposed by HHS is to ensure that your employees have compliant work histories! Prior to hiring a new employee, all medical office practices should be sure to check that its prospective (and current, on an annual basis) employees have not been excluded from service or participation in federal health care programs. This can be accomplished at the

HHS' OIG Fraud Prevention & Detection/ Exclusions Program website:  
<http://exclusions.oig.hhs.gov>.

Additionally, employers can check to ensure that prospective employees (and current, on an annual basis) have not been excluded from participation in governmental contracts as administered by the General Accounting Office. Such exclusion would result had that person had been involved in fraud, embezzlement, etc.... This search can be conducted at <http://epls.arnet.gov/AgencyContactsEPLS.html>.

When conducting these searches, be sure to search based on a person's current name, maiden name, middle name, and any other name by which he or she may be known, so as to perform the most complete review possible.

Conducting these searches (and receipt of a clean report) is a quick and easy way to reflect your offices' good faith efforts at maintaining a compliant staff.

## NPI Redux, con't.

"a health plan may prefer that the health care provider use one over another when submitting claims for certain services." The provider's choice of taxonomy codes is important, for it appears as if CMS is stating that billing a procedure code that does not seem to "match" a taxonomy code may be a justification for denials in the future!

### **Important Websites**

<http://www.wpc-edi.com/codes/taxonomy> — You can access the taxonomy codes at this website, the official repository for all taxonomy codes, definitions, etc...

<https://nppes.cms.hhs.gov> — this website provides a link to the online application, to a searchable database of frequently asked questions, to NPI help, etc.... (the direct link to the .pdf application is: <http://www.cms.hhs.gov/cmsforms/downloads/cms10114.pdf>)

### **Additional Assistance**

M.E.D.I.C., Inc. is available to assist your practice with any further questions or in obtaining your NPI. Please contact us and we will forward an NPI worksheet for you to complete with information necessary for getting your NPI; we will do the rest. Should you opt to register for your own NPI, please consider doing so on-line, for upon completion, you will automatically receive a receipt.

## M.E.D.I.C., Inc. News Quarterly Humor — CAUTION: NC-17 material contained in the following piece!

A Florida couple, both well into their 80s, went to a sex therapist's office. The doctor asked, "What can I do for you?" The man said, "Will you watch us have sexual intercourse?" The doctor raised his eyebrows, but he was so amazed that this elderly couple would be asking for sexual advice he agreed. When the couple finished, the doctor said, "There's absolutely nothing wrong with the way you have intercourse." He thanked them for coming, wished them good luck, charged them \$50 and sent them on their way.

The next week, the couple returned and asked the sex therapist to watch again. The sex therapist was a bit puzzled, but agreed. This happened several weeks in a row. The couple made an appointment, had intercourse with no problems, paid the doctor, and then left.

Finally, after six weeks of this routine, the doctor said, "I'm really puzzled and I must ask, just what are you trying to learn from these sessions?" The old man replied, "We're not trying to learn anything. Edna's married, so we can't go to her house. I'm married, so we can't go to my house. The Holiday Inn charges \$98. The Hilton charges \$139. If we have sex here, it costs me \$50, and I get \$43 back from Medicare."

*... if only all billing were so simple...*

### M.E.D.I.C., Inc.'s Practice Management Software Search

For the past 6-7 years, M.E.D.I.C., Inc. has affiliated itself primarily with C&S Enterprises practice management software. However, because of the multitude of changes taking place throughout the medical industry — especially with regard to HIPAA, interoperability, Electronic Medical Records and Electronic Health Records — M.E.D.I.C. has determined to undertake a thorough review and analysis of practice management software available today, with the ultimate goal of upgrading our systems before the end of 2006.

While the list of functionalities that M.E.D.I.C. basing its evaluation on is lengthy, some of the issues relevant to our clients are as follows: programs which ensure ease and cost effectiveness of interfacing abilities; programs which have efficient and practical scheduling components which will allow our clients to "tap into" M.E.D.I.C.'s system to conduct all scheduling functions; programs written on a Windows platform, ensuring a level of comfort and user-friendliness for our clients' office staff; programs which are capable of interfacing with a multitude of EMR programs; programs which are capable of interfacing with M.E.D.I.C.'s new scanning system.

As of this publication, M.E.D.I.C. has been in discussions with and received demonstrations from over half-a-dozen software systems. That, in addition to the fact that we have and are currently working with another half-a-dozen systems provides quite a knowledge base for comparison. We also are aware of the fact that certain hospitals have been encouraging its physicians to begin using certain EMR programs, which also happen to have practice management components. M.E.D.I.C. is eager to preview these hospital-endorsed systems, so please let us know if your hospital has promoted a particular system to its physicians, and we'll be sure to include it in our search.

In the meantime, thanks to all for your continued support. We are eagerly looking forward to this upcoming software upgrade and the resulting improvement in our services to you!

**Medic**<sup>TM</sup>  
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## M.E.D.I.C.'s New Scanning System & "Paperless Office"

### Scanning System

M.E.D.I.C. is pleased to announce the implementation of its new scanning system! After much research, in December 2005, M.E.D.I.C. acquired the Aquarius scanning system. This is a multi-functional system which allows M.E.D.I.C. to quickly and efficiently scan batches, which are then fully searchable via an optical character recognition! Use of this technology will ultimately negate the need to maintain paper copies of all documentation received by M.E.D.I.C., thereby inching us closer to the "paperless office."

On a practical note, please be aware that the use of highlighters other than yellow or light blue cause the underlying text to be blacked out in the scanned image, so in the future please be sure to use only the yellow and light blue highlighters on all documents forwarded to M.E.D.I.C.

### The Paperless Office

As a result of our state of the art scanning system, M.E.D.I.C. is moving toward a paperless office. Beginning September 1, 2006, M.E.D.I.C. will keep original documents received from clients for six (6) months after having been scanned. After six months, M.E.D.I.C. will return all paper documents to providers with a burned CD-ROM of the scanned images. Please be on the lookout for further communication regarding your document disposal preferences.

## Patient Registration Documents & Payment Agreements, Con't.

can be requested, the aforelisted are important to timely physician reimbursement.

**Payment Agreements:** Also noted in the review of office documents was the fact that certain elements may be missing from patient payment agreements. Specifically, each patient agreement should contain provisions addressing the following: patient acknowledgement that it is his/her responsibility to provide office with appropriate and current insurance and referral/authorization information, and that failure to do so may result in patient responsibility for the bill in full; patient responsibility for bill remainder (after insurance); office's collections policy (i.e., adding collection agency fee to patient balance); office policy re: missed appointment; office policy re: returned checks; and an assignment of benefits. Before patients can be charged or these items, they must be made aware of the policies.

**HIPAA Disclosure Agreements:** On July 1, 2005, the Vir-

ginia Legislature passed legislation providing guidance to providers regarding appropriate language for HIPAA disclosure consent agreements. (See, Virginia Code §32.1-127.1:03) M.E.D.I.C. has incorporated this language into the agreements that it has reviewed for clients thus far. Additionally, this document is important to M.E.D.I.C., in that it indicates to whom we may discuss patient information, so please be sure to contact M.E.D.I.C. to incorporate this document into your battery of patient registration documents, and then forward the completed agreements to M.E.D.I.C. with other demographics!

**M.E.D.I.C. Note** — *for patients enrolled in Medicare HMOs which have been contracted out (Kaiser, for ex.), we are only receiving the Kaiser card... we must receive the Medicare card as well for timely billing! Please be sure to obtain copies of the front AND BACK of each insurance card that a patient possesses at the initial appointment, and ensure that there have been no changes at all subsequent visits.*