



Pennsylvania Orthopaedics

Newsletter of the Pennsylvania Orthopaedic Society

Winter 2010

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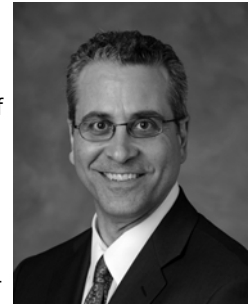
Kevin Black, MD

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Beth Weachter

President's Message...

First and foremost, I would like to begin my term as your new president by extending a sincere thank you to all Pennsylvania Orthopaedic Society members who are assisting with Haiti relief efforts. You are to be commended and I thank you for your willingness and compassion to volunteer. As physicians who provide patient care, this unity of purpose reminds us of our true calling even though our daily professional lives are often filled with worries about unaffordable medical liability costs, inequitable reimbursement, and a plethora of practice management woes. Our priority must always be our patients.



I would also like to thank Jerry Williams, MD, for his efforts on behalf of POS during his tenure; the Board of Directors contributes a great deal of time and effort for the Society and I extend my deep appreciation for their dedication. While each year presents new challenges for the successive president, one thing is certain: I remain dedicated to carrying through POS initiatives already in progress. In 2009, the Board began work on a strategic plan which will direct our focus in the years to come. I am proud to say this work is nearing completion and I anticipate its implementation over the next several months.

In early February, First-Vice President Harry Schmaltz, MD, and I, participated in a press conference at the State Capitol during which Senator John Rafferty announced POS's Mcare 500/500 legislation. This draft legislation would maintain the basic medical liability coverage level at \$500,000 and would eliminate the Insurance Commissioner's authority to conduct market studies and increase the basic coverage level. I look forward to working with the Senate and House to achieve swift passage of these legislative proposals. See page three of this newsletter for more detail on this legislative initiative.

It is essential that we provide our next generation of orthopaedic surgeons the necessary skills to compete in our ever-changing medical environment and POS is taking concrete steps to promote more resident and fellow specific activities. We are currently working on developing a *Business of Orthopaedics* course designed for PGY4-5 residents. While all orthopaedic residents in the Commonwealth are considered members of the Society, we also maintain a spot on the Board of Directors for a resident representative from each institution. Currently we have delegates from UPMC, Allegheny, Jefferson, Drexel, and Albert Einstein serving on our board.

I encourage everyone to attend the spring meeting in Amelia Island – a welcome respite from snowy Pennsylvania! Program Chairs, Paul Juliano, MD and Mark Knaub, MD have stepped up to the plate and developed informative sessions on *Foot/Ankle and Spine*. Don't walk away from this one...the schedule also features speakers from American Academy of Orthopaedic Surgeons and the American Society for Asset Protection. See you all in Florida.

Wayne Sebastianelli

Workers' Comp Increase for 2010 is 1.1%

Fees for workers' comp services performed on or after January 1, 2010, are calculated and paid in the following manner:

2010 WC Fee = 1994 WC Fee Schedule X 1.936

THIS FORMULA DOES NOT APPLY TO NEW AND REVISED CODES. (See below)*

All workers' comp insurance carriers and self-insured employers have received notice of the **1.1%** increase from the Bureau of Workers' Comp in Harrisburg. For your convenience, a copy of this notice is included on page 5 of this newsletter. Forwarding a copy of this notice with your 2010 claims may be helpful to insuring that you are paid at the updated rate.

Auto Reimbursement

To calculate fees for 2010 auto claims, multiply the 2010 Medicare rate by 110%

2010 WC Fee Schedule Available

Check your actual workers' comp reimbursements against what they should be, according to law.

Available in hard copy or CD this POS member benefit lists the 2009 workers' comp fees as published by the PA Bureau of Workers' Compensation for all CPT and HCPCS codes conceivably used by an orthopaedic practice.

To order, complete the information in the box below and mail or fax to:

Pennsylvania Orthopaedic Society
510 North Third Street, 3rd Floor
Harrisburg, PA 17101-1111
FAX: 717/909-8906

Questions? Call Susan at POS: 888-772-7900

2010 Workers' Comp Fee Schedule Order Form

Practice Name _____ Attention _____
Address _____
City _____ State _____ Zip _____
Phone _____ Medicare Area # (if known) _____

QTY ITEM/PRICE

____ 2010 WC Fee Schedule — Hard Copy @ \$85.00 for POS members;
\$125.00 for non-members = \$_____

____ 2010 WC Fee Schedule — CD, Microsoft Excel 2007 @ \$75.00 for POS members;
\$105.00 for non-members = \$_____

Check enclosed payable to Pennsylvania Orthopaedic Society

Charge my credit card: _____ VISA _____ MC _____ AMEX

Card Number _____ CV _____ EXP _____

Cardholder Name _____

***Notice to practices that have ordered the WC Fee Schedule in prior years:** you are advised to order a new fee schedule each year because previous year will not contain truly new and revised codes. Therefore, revising your old schedule will result in inaccurate information.

Pennsylvania Legislative Update

The second year of the 2009 – 2010 legislative session opened the same way the first year ended; a looming budget crisis and a partisan struggle over taxes and expenditures. The 2009 – 2010 fiscal year budget fight lasted 101 days. To close the \$3 billion deficit, the General Assembly and Governor Rendell diverted physician initiated Mcare revenue streams (cigarette tax and Auto CAT Fund surcharge) to the General Fund as well as drained the Health Care Provider Retention Account's (which funded Mcare abatements) and the Mcare Fund's (physician assessments) surpluses. In fact, the current year budget process was not completely funded until the General Assembly authorized table games at the state's 14 slots casinos in January. With a projected \$1 billion deficit on the horizon, the 2010 – 2011 budget reconciliation will be just as difficult as the past year's.

In the 40 session days remaining before the summer recess, much needs to be done. A top POS priority is enactment of legislation to ensure your medical liability premiums do not increase due to the state government's actions. Currently under Act 13 of 2002, the state Insurance Commissioner maintains the authority to increase the \$500,000 basic liability coverage level to \$750,000 and ultimately to \$1 million over the next three years. The basic coverage level is the state mandated amount of liability insurance that physicians must seek from the private market. By some estimates, each \$250,000 increase in the basic liability coverage level will result in premium increases of exceeding 25%.

Although POS successfully blocked those increases in 2007 and 2009, the same is unlikely to happen in 2011. Unless the private liability insurance market "hardens" in the next 18 months, the Insurance Commissioner is likely to increase the basic coverage level to \$750,000. Based on reports POS received, the 2009 market survey showed adequate capacity in the market to absorb the increase. The Insurance Commissioner's study only analyzes capacity, not cost. So if the 2011 survey determines adequate capacity exists, you may see your basic coverage level increase to \$750,000 and you may experience a 25% increase in your premiums.

To stop this unwarranted cost spike, the POS drafted legislation to statutorily set the basic coverage level at \$500,000. The bill will also eliminate the Insurance Commissioner's authority to conduct market studies and increase the basic coverage level.

State Senator John C. Rafferty (R. Montgomery) intends to introduce POS's legislation in the next few weeks. At a February 3, 2009 press conference to announce the initiative, Senator Rafferty said the bill is a response to the action last fall by Governor Ed Rendell and lawmakers to divert \$100 million from the Mcare fund and over \$700 million for the Health Care Provider Retention Account to help balance the state budget. Senator Rafferty noted that he was a "no" on the legislation that raided the Mcare revenue and surpluses.



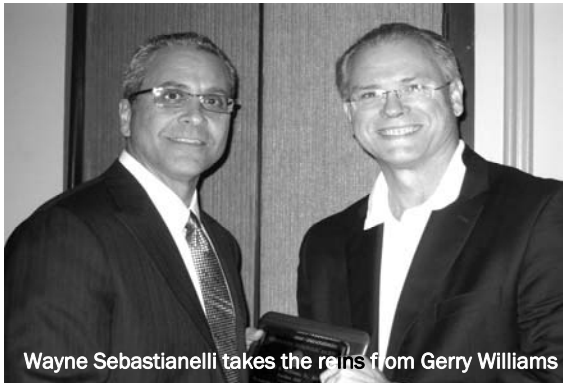
Joining Senator Rafferty at the press conference were POS President Wayne Sebastianelli and First-Vice President Harry Schmaltz. In his remarks, Sebastianelli said, "If the Mcare phase out schedule contained in Act 13 remains, in a few short years physicians may be required to carry \$1 million of private market coverage while continuing to pay Mcare annual assessments. This means orthopaedic surgeons and others physicians will have medical liability costs that are substantially higher than they would if they only had to carry the state mandated \$1 million in basic coverage. In essence, we face million dollar coverage premiums plus thousands in assessments. This is a scenario our Society's leadership wants to prevent."

As the old adage goes, "politics makes for strange bedfellows," and this legislative initiative is no different. At the press conference, Senator Rafferty and the POS officers were joined by representatives of the state's trial lawyers' association. This unprecedented show of unity between the two groups is obvious; the POS leadership wants to stop the escalation of premiums and the trial bar wants to ensure physicians remain in Pennsylvania. POS remains actively involved at multiple levels in the ongoing battle for PA and Federal tort reform, and is at the forefront in the fight against recent attempts by PATLA to roll back already accomplished tort reforms in the Commonwealth.

POS also continues to work the State Capitol's halls on a variety of issues. Physician ownership of surgical centers and ancillary services continues to be high on the priority list. In addition, defending the Workers' Compensation Fee Schedule is a constant battle, and we are fully engaged in that fight. Finally, the board will consider new initiatives at its February board meeting; we will continue to keep you apprised on our endeavors.

Georgia on my Mind

The Pennsylvania Orthopaedic Society enjoyed a successful 2009 Fall Scientific Meeting, in the sultry southern comfort of Savannah, Georgia. Program Chair, Jim Purtil, MD, put together a very informative course on the latest techniques and trends in hip and knee arthroplasty while guest speakers Whitney Courser and Rodger Strode Jr., Esq provided insight into partnership structures available to physicians in today's legislative environment. Thanks to all attendees and supporters who continue to make our meetings great and we look forward to seeing everyone in Amelia Island!



Wayne Sebastianelli takes the reins from Gerry Williams



Program Chair Jim Purtil with resident presenters



DePuy rep Joe Sculley is amused about something....



John MacPhail with Chris Bellicini and Mike Shellenhammer

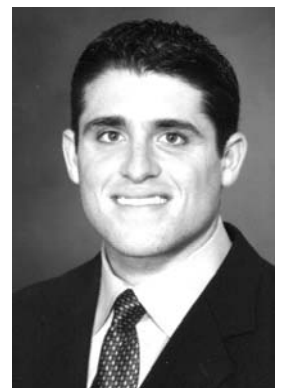
Thank You to Our 2010 Fall Vendors

Angiotech
 Auxilium Pharmaceuticals
 Biomet/Roberts Medical, LLC
 BONES of PA
 DePuy Mitek
 Innomed, Inc
 Linear Medical Solutions
 MedEast Post-Op & Surgical, Inc
 Nueterra Healthcare
 Positive Physicians Ins Exchange
 Smith & Nephew
 Synthes
 Zimmer

Special Thanks to our Silver Level Exhibitors

DePuy Orthopaedics
 Genzyme Biosurgery
 Stryker Orthopaedics

Congratulations to Jeffrey Peretz, MD the 2009 fall resident winner from Drexel University College of Medicine in Philadelphia. Dr. Peretz's paper, *Measuring Patellofemoral Forces and Pressures in a Simulated Operating Room Environment*, won 1st prize in the resident competition in Savannah. Way to go Jeff!



Our resident competition is held semi-annually. Please encourage orthopaedic residents and fellows at your institution(s) to submit abstracts and papers for our scientific programs. Contact susan@paosociety.org for more information.

Plan to Attend: POS Offers Several Education Opportunities this Spring

You Got da' Power...following several successful seminars, POS and Karen Zupko & Associates are teaming up again in 2010 to offer a course for physicians, practice managers, and their billing staff. In addition to learning about coding and documentation guidelines, **2010 Power Coding for Orthopaedics** will teach physicians, administrators, managers, billing & coding staff how to navigate between coding issues and payor policies.

Drastic changes in payment, managed care plan complexities, and Medicare rule fluctuations are just a few of the reasons it is imperative to stay abreast of CPT and ICD-9-CM coding changes. This course is our standard coding and documentation workshop for orthopedics. The workshop provides updated material, reflecting current rules and regulations. The information is specialty specific and will address issues that affect practices in Pennsylvania.

Courses are being offered at the following two locations, but space is limited. Contact Susan Sands (susan@paorthosociety.org) for more information, call 717-909-8901, or visit our website www.paorthosociety.org and sign up today!

Thursday, April 8th
The Crowne Plaza Main Line
Philadelphia

Wednesday, April 14th
The Westin Convention Center
Pittsburgh

Resting just off the coast of northeast Florida, Amelia Island welcomes you to experience its rich, colorful history and breath-taking natural beauty. With 13-miles of beautiful beaches, abundant native wildlife, and pristine waters, this barrier island has long been a beloved destination for visitors and residents alike. Sound tempting? Well, you are in luck...POS is headed there this spring! Paul Juliano, MD, and Mark Knaub, MD have put together an exciting program entitled **Foot/Ankle and Spine: Minimizing Complications & Maximizing Outcomes** and they have left plenty of time for extra-curricular activities. Make sure to bring your golf clubs, hiking or running shoes, sunscreen, and anything else you need for fun outdoor activities at the resort. The Ritz Carlton is offering a 10% discount to all meeting attendees on spa visits. There is more to do than is possible to list here, so please visit www.ameliaisland.com to plan your trip now. Contact Susan Sands (susan@paorthosociety.org) for more information, call 717-909-8901, or visit our website www.paorthosociety.org and sign up today!

POS 2010 Spring Scientific Meeting
Foot/Ankle and Spine: Minimizing Complications & Maximizing Outcomes
May 20-22, 2010
The Ritz Carlton, Amelia Island, Florida

NOTICES
DEPARTMENT OF LABOR AND INDUSTRY
Maximum Pennsylvania Workers' Compensation Payable
[40 Pa.B. 479]

[Saturday, January 16, 2010]

Based upon the Statewide Average Weekly Wage, as determined by the Department of Labor and Industry for the fiscal year ending June 30, 2009, the maximum compensation payable under sections 105.1 and 105.2 to the Workers' Compensation Act (77 P. S. §§ 25.1 and 25.2), shall be \$845 per week for injuries occurring on and after January 1, 2010. For purposes of calculating the update to payments for medical treatment rendered on and after January 1, 2010, the percentage increase in the Statewide Average Weekly Wage is 1.1%.

**[Pa.B. Doc. No. 10-117. Filed for public inspection
January 15, 2010, 9:00 a.m.]**

Coding Corner:

Mary LeGrand, RN, MA, CCS, CCP

Consultations, New Patients, or Established Patients?

The New Year started with a flurry of questions and confusion over the status of consultations in 2010. The common question still today is “do we bill consultations or don’t we?”

The answer depends on the payor! Let’s start with a review of the coding rules and reimbursement rules

Coding vs Reimbursement Rules

It is important to understand that services are coded according to CPT rules.

Coding rules are written by the AMA with input from specialty societies and other organizations including Medicare. While the coding rules are written by the AMA, payors have their own reimbursement rules. In the case of consultations, we must take into consideration Medicare fee for service carriers as they will no longer reimburse physicians for consultations.

Consultations codes, 9924x (office or other outpatient) and 9925x (inpatient consultations) remain valid CPT codes. Medicare assigned Relative Value Units (RVU’s) to consultations, but Medicare also assigned an “Invalid” code status to consultations for their reimbursement purposes. So, while Medicare recognizes that consultation codes are still valid CPT codes, they will not reimburse physicians for consultations as they deleted the codes from their payment databases. Medicare calculated the amount of dollars spent each year on consultation services and re-allocated the dollars to other E&M services, thus resulting in an overall 6% increase in dollars allocated to other E&M services for 2010.

Okay, We Have CPT Codes, We Have RVU’s, but Medicare Will Not Reimburse Consultations, So What Do We?

Physicians and coding staff will have to pay attention to the patient’s insurance and report services based on whether the patient has private insurance or if they are covered under Medicare fee for service plans. Physicians will continue to report consultations on non Medicare patients and will report the appropriate new, established, initial hospital care or subsequent care as appropriate for Medicare patients.

CPT Introduces New Consultation Guidelines

2010 CPT brought great, new guidelines explaining terms such as “concurrent care”, “transfer of care”, and “consultations”, but some say the clarifications came too late as Medicare deleted consultations because of previous ambiguity.

- CPT defines **Concurrent Care** as the provision of similar services (e.g., hospital visits) to the same patient by more than one physician on the same day.
- **Transfer of care** is the process whereby a physician who is providing management for some or all of a patient’s problems relinquishes this responsibility to another physician who explicitly agrees to accept this responsibility and who, from the initial encounter, is not providing consultative services.

- A **consultation** is a type of evaluation and management service provided by a physician at the request of **another** physician or appropriate source to either **recommend** care for a specific condition or problem or to **determine whether to accept responsibility for ongoing management of the patient's entire care** or for the care of a specific condition or **problem**.

No request, no consult

The instructional guidelines from CPT are important to determine if and when a physician may report a consultation. If there is no request for a recommendation about a specific condition or a request for a physician to evaluate the patient regarding a condition (to accept the transfer of care or not), the consultation codes are not reportable to any private payor.

How to Report According to CPT Rules:

Report the appropriate consultation code (9924x or 9925x) to a private payor according to the CPT rules if the request is present and documented, the evaluation and recommendations documented and a separate report is sent to the requesting physician.

Report 9924x if the service is performed in the office or other outpatient setting .

Report 9924x if the service is performed in the ER and the patient is not admitted or if the patient is admitted and the physician does not perform additional E&M services on the inpatient unit.

How to Report According to Medicare Rules:

Report a new (9920x) or an established patient visit (9921x) to Medicare if the service is provided in the office or other outpatient setting.

Report an Emergency Department service (9928x) if the service is provided in the ER and the patient is not admitted

Report an initial inpatient hospital care (9922x) if the service is provided in the hospital setting.

Report an initial hospital care (9922x-AI) if the patient is admitted to the physicians service.

Action Steps

- Create internal policies and charge capture protocols to ensure the appropriate CPT codes are reported according to CPT rules for private payors and Medicare rules for Medicare fee for service patients.
- Survey private payors to ensure they will continue to recognize and reimburse consultation codes. Medicare has communicated the rules apply to Medicare FFS plans.
- Review the full guideline changes in CPT 2010.
- Review the Medlearn Matters and Medicare Transmittals addressing the change in consultation services.

Ensure all CPT rules for consultation services are met when reporting a consultation service to a private payor.



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2010 Calendar

POS Coding Seminar East

April 8, 2010

Main Line Crown Plaza, Philadelphia, PA

POS Coding Seminar West

April 14, 2010

Westin Convention Center, Pittsburgh, PA

BONES of PA 15th Annual Meeting

September 22-24, 2010

Sheraton Station Square, Pittsburgh

POS Spring 2010 Scientific Meeting

Foot, Ankle & Spine

Minimizing Complications & Maximizing Outcomes

May 20-22, 2010

Ritz Carlton, Amelia Island, FL

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POS Fall 2010 Scientific Meeting

Sports Medicine

October 28-30, 2010

The Penn Stater, State College, PA