MCMS
MONTGOMERY COUNTY
MEDICAL SOCIETY
OF PENNSYLVANIA
Pulse

2023 Vol. 1

From the Board Chair

Jay Rothkopf, MD

Greetings and Happy New Year! 2022 is in the rearview mirror, and with a new year comes new opportunities. While 2022, in many ways, saw a return to normalcy, many challenges remain in the healthcare space. Despite the welcome passage of prior authorization reform at the state level, many patients still face insurmountable barriers that hinder their access to care. This is especially true for mental health resources, where lingering burdens from the pandemic continue to take a toll on the patients and physicians of Montgomery County. Long waits for appointments, tests, and ED waiting rooms — as well as the strain placed on the healthcare infrastructure by the seasonal deluge of respiratory illness— have raised stress levels among physicians to new heights. Despite that, we continue to serve our patients and our community, and as always, our county medical society continues to be our voice.

With that in mind, we'd like to hear from you; specifically, how can we best help you care for your patients and navigate the day-to-day rigors of both employed and independent practice? We will soon be sending out a survey to our members, asking how we can best serve you, the physicians of Montgomery County, in the sacred trust that is our shared profession. An organization is only as strong as its members, so please help us understand how we can best serve you.

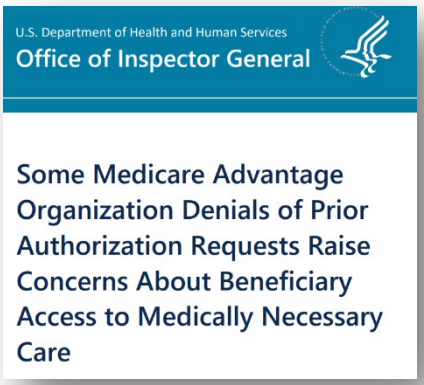
President's Corner

Joseph Grisafi, MD

Why Are Medicare Advantage Plans Denying So Many Legitimate Claims?

Medicare Advantage (MA), also known as Medicare Part C, was designed to give beneficiaries an alternative to the fee-for-service model of Original Medicare (OM) and achieve cost savings via the managed care model of the private sector. MA plans are often an attractive option for enrollees since out-of-pocket expenses associated with them are typically lower than that for OM. A detailed comparison of OM to MA can be found at https://www.medicare.gov/Pubs/pdf/12026-Understanding-Medicare-Advantage-Plans.pdf. Additionally, McGuire et al provide an excellent historical perspective in their article, *An Economic History of Medicare Part C*.

The popularity of MA plans has grown quickly with nearly 48% of Medicare beneficiaries now participating in them. Thus, MA plans are an increasingly important vehicle for ensuring access to medical care for Medicare beneficiaries. The Office of Inspector General (OIG) at the U.S. Department of Health and Human Services released a report in April that found an alarming 18% of legitimate claims were inappropriately denied by MA plans. This places a huge financial strain on patients and physicians alike. The full report can be found here.



Inappropriate denials were found to affect authorizations and to occur at unexpectedly high rates, as well. The OIG reported that 13% of authorizations for medically indicated services were inappropriately denied by MA plans. The report cites MRIs and inpatient rehabilitation stays as examples of such services. It is intuitively obvious that inappropriate denials lead to delayed care and administrative costs at a minimum, but more concerning is the potential effect of added patient morbidity and mortality. Further, the OIG clearly raised concerns about beneficiary access to medically necessary care.

Analysis determined the common causes for inappropriate denial of claims and authorizations by MA plans. These causes included:

1. Use of more restrictive internal MA clinical criteria instead of OM coverage rules
2. False allegations by MA plans of insufficient physician documentation
3. Human error on behalf of MA plans affecting manual claims processing
4. System errors affecting automated claims processing

The finding that MA plans use more restrictive internal clinical criteria over OM coverage rules effectively means that MA plans are not providing the same coverage as OM in these situations, which they are statutorily required to do. The OIG also made several recommendations based on their findings. One notable recommendation was that CMS issue new guidance on the appropriate use of clinical criteria.

It is reassuring that the OIG recognizes that inappropriate denial of payments and services by MA plans is a potential pathway to unscrupulously increase profits. It is equally reassuring that the OIG offers surveillance in the form of audits of MA plans to ensure against such practices. However, this process is glaringly asymmetrical in comparison to that which physicians may be subjected to. For example, if an audit were to show a physician provided services contrary to coverage rules, it may be labeled as *fraud, waste, and abuse*. Unfortunately, the OIG did not recommend that CMS hold MA plans to the same standards as physicians. That would certainly help to relieve concerns about beneficiary access to medically necessary care.

Pyfer Fund Scholarship

The Pyfer Fund was established in 1915 under a Trust established by Howard F. Pyfer, MD. The Trust was established to help young physicians with continuing medical education costs. If you are a Montgomery County Medical Society member and are under the age of 45, you are eligible for reimbursement for your CME activities up to $500.

Click here to learn more and apply. Reimbursement must be claimed before December 15, 2023, and must have occurred in the 2023 calendar year.

In Case You Missed It…

News from the Pennsylvania Medical Society "The Dose"

PAMED Applauds Efforts from PA Insurance Department in Conduct Examination of Capital Blue Cross

The Pennsylvania Medical Society applauds the Pennsylvania Department of Insurance statement on their findings from a market conduct examination on the Capital Blue Cross practices and procedures, revealing blatant violations and resulting in restitutions for patients across the Commonwealth. PAMED continues to be a strong patient advocate for insurance reform, including prior authorization, that results in increased transparency with health insurers for medication and treatment approvals. The organization aims to return physicians and patients as decision makers on critical health care decisions without the authority from health insurance executives.

CMS Alerts AMA on Updated 2023 Medicare Conversion Factor

The Centers for Medicare and Medicaid Services has alerted the American Medical Association that the agency has released updated national Medicare physician payment files that incorporate the changes in the Consolidated Appropriations Act of 2023. Specifically, in response to concerted advocacy by organized medicine, Congress reduced the 4.5% cut to Medicare physician payment by increasing the 2023 conversion factor by 2.5%. The updated 2023 Medicare physician payment schedule conversion factor will be $33.8872. The previously finalized conversion factor was $33.0607. The 2022 conversion factor was $34.6062.

Montgomery County Immunization Coalition (MCIC)

With Flu activity elevated across our county, MCIC is calling for all hands-on deck to get out the message that it is not too late to get your flu shot. MCIC has developed social media images to make it easier for you to share this important message with your communities. Go to https://www.immunizepa.org/montgomery-county-immunization-coalition/ for more information.

Good news to share - Provisions of the Inflation Reduction Act that expanded vaccine access for seniors on Medicare drug plans (Part D) went into effect on January 1. For the first time, people aged 65 years and older with Medicare's prescription drug coverage will pay no deductible and will not be responsible for any cost-sharing for ACIP-recommended vaccines, including shingles vaccine, Tdap, and travel vaccines.

Have something you would like to see in PULSE?

Send ideas, comments, and questions to Executive Director, Theresa Barrett, PhD, CMP, CAE at tbarrett@montmedsoc.com

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