

Congressional Hearing Highly Critical of CMS over Medicare Fraud and Opioid Abuse: At a recent Congressional Hearing, CMS was slammed for its failure to implement “commonsense recommendations.” Rep. Tim Murphy (R-Pa.), chair of the House Energy and Commerce Subcommittee on Oversight and Investigations, further alleged that CMS’ failure to implement such measures “has led to trends of questionable billing associated with pharmacies, prescribers and beneficiaries.” The OIG also took CMS to task, noting that while it is pushing for the prosecution of bad actors in the Medicare Part D program, CMS has to do its part and needs to step up its efforts as well. The Congressional Hearing’s criticism of CMS focused in large part on the increase in opioid abuse and comes on the heels of a CDC report released earlier this month that found Americans are becoming “primed” for heroin addiction through the growing use and abuse of prescribed opioid painkillers. Rep. Marsha Blackburn (R-Tenn.) issued a strong warning to CMS’ deputy administrator and director of Center for Program Integrity, Dr. Shantanu Agrawal, before his testimony. Rep. Blackburn cautioned “Don’t tell me you’re overworked, don’t tell me you don’t have enough money, when you got a job to do, you work until the job is done. You don’t deserve more money, because you not taking good care of the tax dollars now coming your way.” Dr. Agrawal responded that CMS is working on implementing the recommendations from OIG but was unable to give a timeline as to when all the recommendations would be fully adopted.

New ICD-10 Bill would Permit Dual Coding for 180 Days: A bill proposed earlier this month in the House would allow providers to bill under both the ICD-9 and ICD-10 codes for 180 days from the October 1, 2015 implementation date. Proponents of the bill argue that the dual coding would ensure providers will not go out of business if they try and fail to send ICD-10 claims or have a billing vendor that has not upgraded its system. The bill is supported by the Medical Group Management Association, a professional association for physician group practice leaders and managers. Dr. Halee Fischer-Wright, MGMA president and CEO, recently wrote a letter to Congress stating that the bill would afford physicians “much needed flexibility and provides a window of time to address inevitable system issues to ensure claims are processed and paid.”

Barnabas and Robert Wood Johnson Agree to Form New Jersey’s Largest Health System: Barnabas Health and Robert Wood Johnson Health System have signed an agreement to combine into what would become New Jersey’s largest health system. Barnabas is a seven-hospital system based in West Orange, and RWJ is a four hospital system based in New Brunswick. When combined, these two systems would consist of eleven hospitals with combined operating revenue of \$4.5 billion and 30,000 employees. In order to be completed, the proposed deal requires regulatory approval and is expected to be finalized in 2016.

Should this deal be approved, the combined health system will have nearly one-third of the market share in central New Jersey. This deal follows the recent pattern in New Jersey of the consolidation of hospitals through merger and acquisition agreements. For example, the merger of Hackensack University Health Network and Meridian Health, agreed to in May of this year, will result in a nine hospital system with \$3.1 billion in operating revenue and a 26.3% share of the central New Jersey market. Also in the works are other deals involving New Jersey hospitals. Atlantic Health System of Morristown acquired Chilton Hospital in 2014 and has a pending agreement to acquire Hackettstown Regional Medical Center. Geisinger Health System has entered into an agreement with AtlantiCare, while the Meridian Health System has a pending deal to acquire Raritan Bay Medical Center.

It is difficult to predict precisely how this consolidation of hospitals into larger and larger systems will affect physicians, but there is certainly potential for these large systems to assert greater and greater control over physician practices. It follows, then, that this trend may ultimately have an adverse impact upon physicians and their patients.

For more information on the above items, contact Kern Augustine Conroy & Schoppmann, P.C. at 1-800-445-0954 or via email at info@DrLaw.com.



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