

IN THIS  
EDITION:

- Medicare Proposed Fee Schedule Released
- New Practice Management Resources from AAOS
- Advocacy in the States
- The AAOS Offers Opportunities for Clinician Scientists and Young Investigators
- AAOS Research Symposia: Supporting Young Investigators
- Advocacy Resources

# AAOS in the States

SEPTEMBER 2009

## Medicare Proposed Fee Schedule Released

On July 15, the Centers for Medicare and Medicaid Services (CMS) released the proposed physician fee schedule for 2010. CMS has proposed several new regulations that may effect orthopaedic surgical practices.

CMS is proposing changes to Medicare reimbursement for the practice expense (PE) component of the total Medicare fee. The changes are the result of new physician practice cost information collected through a multi-specialty and American Medical Association (AMA)-sponsored effort. The data was proposed by CMS for implementation into the 2010 physician fee schedule. Orthopaedic surgery, on average is projected to receive a 4% increase in practice expense reimbursement.

In another section of the proposal, CMS proposed to eliminate payment for consultation services (CPT codes 99241-99245 and 99251-99255) starting January 1, 2010. CMS proposed to have providers code what had formally been consultation services using new/established office or outpatient Evaluation and Management (E/M) codes (99201-99205-new patient E/M, 99211-99215-established patient E/M) to replace CPT codes 99241-99245 (office or outpatient consultation services). Replacing CPT codes 99251-99255 (inpatient consultation services) would be CPT codes 99221-99223 (initial inpatient hospital visits). CMS has proposed to redistribute the money saved through this change by increasing the payment for 99201-99205 and 99211-99215 by 6% and 99221-

99223 by 2%. The AAOS has done extensive analysis of the fiscal impact and has determined that if the proposal goes forward, the typical orthopaedic surgeon is likely to break even. However, this will vary by provider type, mostly based on the ratio of new/established patient visits for Medicare patients a provider is currently performing to the number of consultations for Medicare patients a provider is currently performing.

AAOS staff has developed a tool for calculating the impact on specific specialties. Should you be interested in using this tool, please contact Matthew Twetten, Senior Health Policy Analyst at [Twetten@aaos.org](mailto:Twetten@aaos.org).

## New Practice Management Resources from AAOS

The Practice Management Committee (PMC) of the AAOS strives to provide up-to-date resources to help members manage the business aspects of their practices. The AAOS recently negotiated an agreement with the Medical Group Management Association (MGMA) to purchase sixteen MGMA practice management books and make them available to AAOS members at 10% or more below MGMA's list price. These savings will be of particular benefit to physicians in solo or small group practices.

Although a number of profes-

sional management organizations offer products and services, MGMA publications are tailored specifically to the medical community. The PMC reviewed each book selected for resale for content and applicability in the orthopaedic practice setting. Many books include checklists, CDs, and other tools to help practices take action immediately. For example, the 300+ page publication, *Job Descriptions Manual for Medical Practices* (MGMA, 2008) includes a CD with 100 sample job descriptions so the physician or practice executive can customize and print job descriptions with ease. Orthopaedic practices interested in the

newest trends for increasing practice efficiency will want to read, *Mastering Patient Flow: Using Lean Thinking to Improve Your Practice*, 3rd Edition (MGMA, 2007). The book explains new techniques for reducing patient cycle time, streamlining scheduling methods, maximizing space capacity and utilization and controlling costs, and more.

For a complete list of MGMA books, visit the AAOS Store under the topic "Practice Management." [http://www4.aaos.org/product/topic\\_toc.cfm?focus=prac](http://www4.aaos.org/product/topic_toc.cfm?focus=prac)

# Advocacy in the States

## Certificate of Need

On June 12, 2009 Maine Governor John Baldacci signed into law ME H 974. The law retains a current exemption from Certificate of Need for a hospital's medical office buildings and amends the threshold requirements for a certificate of need for major new medical equipment, new technology, and capital expenditures. Major medical equipment is defined as a single unit of medical equipment or a single system of components with related functions used to provide medical and other health services that cost \$1.6 million or more. This reflects an increase of \$400,000 from the previous threshold. ME H 974 also raised the threshold for new technology to \$1.6 million and to \$3.1 million for capital expenditures for medical equipment. Medical purchases greater than the new limits, will require a Certificate of Need issued by the Commissioner of Health.

## Electronic Medical Records

Maryland Governor Martin O'Malley signed MD S 744, the Electronic Health Records Act. The new law tasks the State Health Care Commission with designating and implementing a health information exchange in the state. The commission, in consultation with the Department of Health and health care providers must adopt regulations that require state regulated payers to provide incentives to health care providers to promote the adoption and use of electronic health records. In addition, the Act requires the State Medical Assistance Program to reimburse health care providers for the cost of required electronic health records systems.

## Universal Health Care Coverage

Citing the rising cost of health care and Medicaid reimbursement rates frequently falling below the actual cost of treatment in Hawaii, the Hawaii Legislature passed HI H 1504, the Universal Health Care and Health Authority Act. The purpose of the Act is to initiate the comprehensive reformation of Hawaii's health care system with the ultimate goal of facilitating universal coverage through the provision of affordable, high-quality medical services for Hawaii's residences by establishing the Hawaii Health Authority to develop a plan to provide universal health care to Hawaii. The Hawaii Health Authority is to be comprised of nine members appointed by the Governor, three from a list provided by the Speaker of the House and three from a list provided by the Senate president. The plan developed by the Authority is to include:

- establishment of eligibility for inclusion in a health plan for all individuals
- determination of reimbursable services to be paid by the authority
- determination of all approved providers of services
- evaluation of health care and cost effectiveness of all aspects of a health plan for individuals and
- establishment of a budget

The Act was vetoed by Governor Lingle on July 10<sup>th</sup> but the Hawaii House and Senate voted to override the veto on July 15<sup>th</sup>. The desire for reform in Hawaii demonstrates the growing trend in the states to take the lead where Congress is failing to find consensus.

**Keeping our fellow state orthopaedic society members abreast of your legislative activities is key to advancing the issues of importance to the orthopaedic community in state legislatures nationwide. Please continue to email your state legislative updates to Winnie W. Strzelecki in the AAOS Office of Government Relations at [strzelecki@aaos.org](mailto:strzelecki@aaos.org)**

## The AAOS Offers Opportunities for Clinician Scientists and Young Investigators



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### AAOS/ORS/OREF Clinician Scientist Development Program

The Clinician Scientist Development Program (CSDP) is an annual program cosponsored by the AAOS, the Orthopaedic Research and Education Foundation (OREF), and the Orthopaedic Research Society (ORS) designed to support and nurture orthopaedic residents interested in pursuing careers as clinician scientists. The CSDP, an initiative of the AAOS Research Development Committee, seeks residents in their PGY2, PGY3, PGY4, or PGY5 training year who have the potential and desire to become orthopaedic clinician scientists. Sessions focus on topics such as the career timeline, collaboration with scientists, mentorship, academic promotion, grants and funding resources, working with specialty groups, and balancing it all with a fulfilling personal life.

The 2009 CSDP was held June 7-9 in Chicago, IL. A record 74 applications were received for 15 available resident attendee spaces. The August issue of AAOS Now features an article on the 2009 event, "Achieving academic success in a clinical world," and is available online at <http://www.aaos.org/news/aaosnow/aug09/research2.asp>.

The 2010 event will take place in October in Rosemont, IL, and the AAOS will be soliciting support from specialty societies willing to sponsor a resident. When the online applications become available, the opportunity will be announced in several AAOS publications and will be posted on the CSDP home page at <http://www3.aaos.org/member/csdp/csdp.cfm>.

### AAOS Research Symposia: Supporting Young Investigators

The 2010 AAOS/ORS/ABJS Musculoskeletal Healthcare Disparities research symposium (MHD), part of an NIH-funded research symposium series, will define and outline gender and ethnic musculoskeletal healthcare disparities in joint replacement, pain management, osteoporosis and fragility fractures, and diabetic foot management and amputation based on current knowledge. The symposium, which aims to produce a journal publication in *Clinical Orthopaedics and Related Research*, will identify potential solutions to the disparities identified and define performance measures related to the solution(s) of the disparities.

Co-chaired by Carlos Lavernia, MD, Charles Nelson, MD, and Mary O'Connor, MD, the 2010 MHD symposium will take place May 6-7, 2010, in Alexandria, VA. The AAOS supports up to five Young Investigators for each of its research symposia. Young Investigator participants in the symposia have a unique opportunity to collaborate with orthopaedic leaders and contribute to the subsequent consensus document. Applications will be available online this fall at [http://www.aaos.org/research/Committee/research/symposia/symp\\_mhd.asp](http://www.aaos.org/research/Committee/research/symposia/symp_mhd.asp).

## Advocacy Resources for State Societies

### Legislative Strategy Development:

State legislative strategy development based on best practices, opposition tactics and the state society's unique strengths is provided to state orthopaedic societies confronting legislative issues.

**State Legislative Tracking:** State legislative and regulatory tracking is conducted at the national level to monitor trends and identify bills and proposed regulations of interest to individual states.

**Legislative Alerts:** Periodic alerts concerning bills and regulations requiring a response from the orthopaedic community are sent to state societies as necessary.

**Weekly Bill Status Reports:** Customized weekly bill status reports are available to each state orthopaedic society informing state society leaders of legislative action in their state.

**State Legislative Updates:** A summary of action on state legislation affect-

ing orthopaedic surgeons across the country is sent to state orthopaedic societies and published in AAOS Now on a quarterly basis.

### Advocacy Resource Development:

Legislative materials including fact sheets, position statements, talking points, visual aides and other useful information are developed on an ongoing basis and made available through the AAOS Web site. Upon request, materials may be produced and tailored to meet the specific needs of individual states.

**Legislative and Regulatory Research:** Research assistance such as data collection and case study development on legislative and regulatory issues is available to state orthopaedic societies.

**Lobbying Assistance:** The AAOS is available to advise states on the hiring, management and evaluation of state society lobbyists.

**Grassroots Development:** Assistance

in developing strategies to mobilize state society members for advocacy efforts is offered to state society leaders.

**Model Legislation:** Model legislation is sent to state orthopaedic societies prior to the start of each legislative session to facilitate proactive advocacy efforts.

**Coalition Building:** Assistance in developing contacts and forging legislative coalitions with other state health care groups is provided to state societies seeking to broaden their government relations programs.

**Financial Assistance:** Financial assistance to state societies engaged in advocacy efforts is available through the State Society Health Policy Action Fund. The AAOS also assists state societies in identifying external sources of financial support.

For more information please contact Winnie at [strzelecki@aaos.org](mailto:strzelecki@aaos.org).