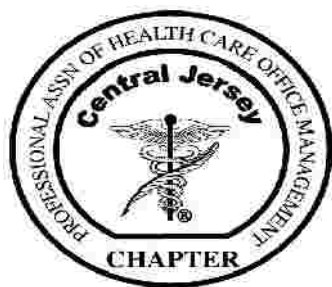


Central Jersey PAHCOM Medical Management Matters



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Editor :
Barbara A Geoghegan,
CMM

What's your job title say about you?

Medical group practice leaders can have one of a number of job titles. Chief executive officer (CEO), administrator and office manager are common labels for the person who manages the administrative functions of a practice.

Job titles have a significant impact on how the job holder and those inside and outside the organization perceive a position. To a degree, a title describes what the job holder does and may give an indication of salary and career development.

The three most common job titles used by medical practice leaders have some overlap in respect to the level of responsibility. There are office managers who clearly have more responsibility than some administrators; some administrators have more say in managing the practice than some CEOs. This is a job arena with a large middle ground.

Summarizing the definitions using Medical Group Management Association Management (MGMA) Compensation Survey data:

- An office manager handles the nonmedical activities of a larger medical practice and focuses on the daily operations of the organization
- An administrator holds the top nonphysician, professional administrative position with less authority than a CEO
- The CEO has broad responsibilities for all administrative functions of the medical group and typically oversees management personnel, with direct responsibilities for the functional areas of the organization

The data published in the survey report provide an interesting view of the people in these positions. For example, office manager, the position with the relative least responsibility, is predominately filled by people with a high

school education; only a few office managers have advanced degrees.

This contrasts with administrators, 42 percent of whom have a master's degree, while 7 percent have only a high school education.

CEOs overwhelmingly have advanced degrees: 68.1 percent hold a master's and 3.8 percent boast a PhD, JD or EdD degree.

Compensation methods also provide insight into the positions. Approximately 80 percent of CEOs and administrators responding to the survey received pay via a salary and bonus compensation method. Of the office managers, 57.8 percent received compensation that included an opportunity for a bonus.

Another measure of a position is how its occupants relate to professional development. Membership in the American College of Medical Practice Executives (ACMPE)* and certification as a medical practice executive indicate whether a medical group administrator has sought to opportunities for professional advancement, self-assessment and leadership development. Of office managers, only 3.2 percent are ACMPE members. This contrasts with 37.7 percent of administrators and 49.4 percent of CEOs. In addition, 38.1 percent of the CEOs are Certified Medical Practice Executives or Fellows in ACMPE.

So the next time someone asks you what your title is, you can be certain that your answer conveys more about you than you might think.

By [Dave Gans](#), MSHA, FACMPE, vice president, MGMA Practice Management Resources



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Charging Administrative Fees

QUESTION: I came into my office one morning and found two volumes from one of our BCBS contracts that I was supposed to sign. I love how insurance companies “negotiate” with physicians. As I looked through one of them, I found a paragraph stating the physician was not to charge any fee above the billed charge for any administrative, office, or overhead costs.

Are insurance companies routinely putting language like this in their contracts? Are there any precedents for physicians losing insurance contracts because patients were billed for “administrative” or other noncovered services?

ANSWER: First, how impressive that you actually read the contract! Sure, some, maybe not most, contracts include such language. Your goal is to edit it in a way that makes sense. The payer does not want you billing patients for things it considers covered in the billed service. That is quite separate from things not covered by a billed service.

Here’s a concrete example: If during a regular scheduled appointment, you do a routine E&M and write a script or update an immunization record with the chart right in front of you, it wouldn’t be fair game to bill an additional administrative fee.

But what about those school forms that come in completely unrelated to a patient visit (billed service), forcing you have to pull a chart and spend 20 minutes filling it out? I think there are grounds here to bill a set fee.

Certainly, you can discuss with your payers. This sort of fee-per-form concept is used widely. Even though I’ve heard of some practices getting warning letters from payers, I’ve never heard of anyone losing a contract; but that doesn’t mean it hasn’t happened.

— Pamela Moore, PhD

NJDHSS Update on H1N1 Influenza

The New Jersey Department of Health & Senior Services (DHSS) reports that there are currently 10 confirmed cases and two probable cases of the H1N1 influenza in New Jersey. “Although we have seen a slowing of confirmed and probable cases in New Jersey, we all need to stay vigilant as we go through the summer months and prepare for the fall flu season,” said Health and Senior Services Commissioner Heather Howard. “New Jersey residents should stay informed and continue to monitor their own health and the health of their families.”

The DHSS has ceased operation of its public information line because of a decrease in the number of calls to the center. It asks that questions about the H1N1 virus be directed to patients’ healthcare providers.

Beginning May 20, the Department of Health and Senior Services will post weekly H1N1 influenza summaries on its website -- <http://nj.gov/health/er/h1n1> -- each Wednesday. The DHSS can now conduct confirmatory tests for the virus so it is no longer necessary to send samples to the Centers for Disease Control and Prevention (CDC) for final testing.

For more information on H1N1 Influenza, visit www.cdc.gov/swineflu or www.nj.gov/health.

New Interim CDC Guidance on H1N1 Influenza

Physicians are encouraged to stay up-to-date on the CDC’s latest guidance on the H1N1 Influenza. Visit [CDC’s web site](http://www.cdc.gov), www.cdc.gov, regularly.

Courtesy of MSNJ eNews



New Jersey Paid Family Leave Law Fact Sheet

Which Employers are Covered?

- All employers that are subject to the New Jersey Unemployment Compensation Law
- Note there is no 50 employee threshold as under FMLA and NJFLA

Which Employees are Eligible?

- All individuals who have Worked 20 calendar weeks in covered New Jersey employment; or Earned at least 1000 times NJ minimum wage (currently \$7.15/hr) during 52 weeks preceding leave
- Note this may draw in workers considered to be independent contractors given the liberal test used determine “covered employment” under the Unemployment Compensation Law
- Note the minimum “hours of service” and 12 months of employment rules of the FMLA and NJFLA are inapplicable

For What Reasons Can Employees Take Paid “Leave”?

- To care for a newborn, within 12 months of birth
- To care for a newly adopted child, within 12 months of placement
- To care for a family member with serious health condition “Family member” means spouse, civil union partner, domestic partner, parent or child “Parent” means biological, foster, adoptive, step, legal guardian “Child” means biological, adopted, foster, step, legal ward, child of a domestic partner or civil union partner who is under 19 or over 19 but incapable of self care because of mental or physical impairment “Care” means but is not limited to physical care, emotional support, visitation, assistance in treatment, transportation, arranging for a change in care, assistance with essential daily living matters and personal attendant services “Serious health condition” means illness, injury, impairment or physical or mental condition which requires: (i) inpatient care in a hospital, hospice, or residential medical care facility or (ii) continuing medical treatment or continuing supervision by a health care

provider

How Much Are Employees Paid While on Paid “Leave”?

- 2/3 of employee’s average weekly wage, up to \$524/week maximum

Who Pays for the Paid “Leave”?

When Employer Uses State Plan:

- 100% funded by employee payroll tax; no employer contribution
- Estimated to be 64¢ per week (\$33/year) per employee
- Administered through existing State Temporary Disability Benefit Program

When Employer Uses Private Plan:

- Unclear – Under a private TDI plan, employer can only require



employees to contribute toward the cost of the plan following a written election with a majority of employees agreeing to the plan prior to the effective date of the plan

- Not clear if this same requirement will apply to private Paid Family Leave plan
- If employer does use approved private plan, then employer does not transmit employee contributions to the State

How Much Paid “Leave” Do Employees Get?

- 6 weeks with respect to “any one period” of family leave
- 42 days with respect to “any one period” of family leave taken on intermittent basis to care for sick family member
- 6 weeks of family leave during any 12 month period

- 42 days of family leave during any 12 month period taken on intermittent basis to care for sick family member

Why is “Leave” in Quotes?

- The Paid Family Leave Law is not really a “leave” law (just as the Temporary Disability Benefits Law is not a leave law)

- It is a wage replacement law

Explain That – Are Employers Required to Hold Employees’ Jobs Open?

- Yes and No
- Employers are not required, under the Paid Family Leave Law itself, to restore employees to their employment upon expiration of the leave Small employers (those with fewer than 50 employees, and thus not covered by FMLA or NJFLA) may permanently replace employees who take leave under the Paid Leave Law, according to the Law. However, employers with 50 or more employees must restore employees to their employment pursuant to the FMLA and/or NJFLA if the employees are eligible for leave under one or both of those laws

- Caution: This so called “small employer exception” has not yet been tested in the courts and small employers can surely expect employees who are terminated after taking Paid Family Leave to litigate their discharges

Is Intermittent Paid Family Leave Allowed To Care for Sick Relative?

Yes, but with these conditions:

- Total time within which leave is taken cannot exceed 12 months
- Must be supported by Medical Certification as to medical necessity
- Must provide at least 15 days prior notice, absent emergency or unforeseen circum-

(Continued on page 5)

PAHCOM Central Jersey Chapter

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stances

- Must make reasonable effort to schedule leave to avoid undue disruption
- Must provide in advance a regular schedule of the days or days of the week when leave will be taken, if possible
- Employer consent not required

Is Intermittent Paid Family Leave Allowed To Care for Newborn or Adopted Child?

- Yes, but only with the approval of the employer
- Arrangement must be disclosed to State

How Much Notice Must Employees Provide?

To Care for Sick Relative:

- Consecutive leave – must provide prior notice “in a reasonable and practical manner” absent emergency or unforeseen circumstances
- Intermittent leave – 15 days prior notice, absent emergency or unforeseen circumstances

To Care for Newborn or Adopted Child:

- 30 days prior notice
- Failure to provide required notice will result in loss of 2 weeks worth of benefits, unless due to unforeseeable circumstances

Is a Medical Certification Required?

- Yes, when leave is to provide care to sick family member
- Certification must state date of onset of condition if known; probable duration of condition; medical facts within knowledge of provider regarding the condition; a statement that condition warrants participation of employee; and estimate of amount of time care will be needed
- If intermittent leave is taken, must also state that intermittent leave is medically necessary, expected duration of intermittent leave, and if leave is for planned medical treatment the dates of the treatment

Is a Neutral Medical Examination Required?

- State may request that family member be examined by a State designed provider at State expense
- May not be more frequent than once per week
- Refusal of family member to cooperate will disqualify employee from benefits, but not retroactively

Is There a Waiting Period for Paid Leave Benefits?

- Yes, there is a 1 week waiting period
- If benefits continue for 3 weeks, benefits are payable retroactive to the first day
- If employee has personal disability and then immediately takes Paid Family Leave, no waiting period between the two

Can Employer Require Substitution of Paid Time Off?

- Employer may require employees to first use up to 2

weeks sick, vacation or other fully paid time off accrued under company policy before using Paid Family Leave. If so, employee is permitted to take company paid leave during 1 week waiting period

- Employer may permit employees to use all available sick, vacation or other fully paid time off accrued under company policy before using Paid Family Leave
- Employer may have total number of days of Paid Family Leave benefits reduced by the number of days of company paid time off. Presumably employer notification form to State will allow employer to give this direction

How does Paid Family Leave Interplay with FMLA and NJFLA?

- Paid Family Leave runs concurrent with FMLA and/or NJFLA leave
- Paid Family Leave does not reduce or impact leave rights under FMLA or NJFLA

Can Paid Family Leave Benefits be Provided Through a Private Plan?

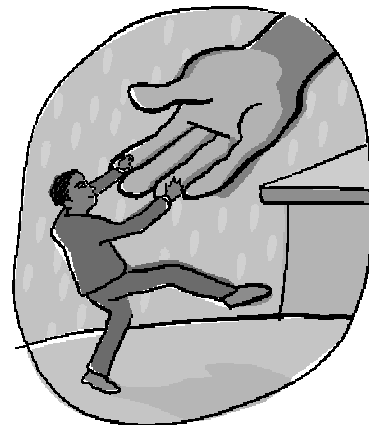
- Yes, just like TDI benefits
- Employers can “mix and match” with TDI plan – both State, both private, or one of each
- Private plan must be approved by the State
- The Plan may be insured by the employer, by an insurance company or a union welfare fund
- Private plans must be at least as liberal in benefit amounts, eligibility requirements and duration of payments as the State plan
- Employers intending to cover Paid Family Leave through a private plan must submit their plans to the State at least 90 days prior to the date the private plan is to be effective, so employers should submit them no later than September 30, 2008

How Exactly Does An Employee Obtain Paid Family Leave Benefits?

To-be-issued Regulations should clarify the process, but this much is known from the Law itself

When Employer Uses State Plan:

- Not later than 9th day after leave begins employer must submit to State on State-provided forms information sufficient for State to make eligibility determination, including wage information and information about company paid leave benefits
- Not later than 30 days after leave begins employee must submit a notice and claim to State



The “Red Flags” Rule: What Health Care Providers Need to Know About Complying with New Requirements for Fighting Identity Theft

As many as nine million Americans have their identities stolen each year. The crime takes many forms. But when identity theft involves health care, the consequences can be particularly severe.

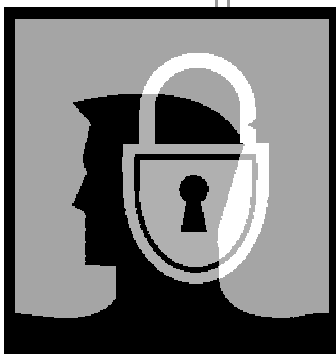
Medical identity theft happens when a person seeks health care using someone else’s name or insurance information. A survey conducted by the Federal Trade Commission (FTC) found that close to 5% of identity theft victims have experienced some form of medical identity theft. Victims may find their benefits exhausted or face potentially life-threatening consequences due to inaccuracies in their medical records. The cost to health care providers — left with unpaid bills racked up by scam artists — can be staggering, too.

The Red Flags Rule, a law the FTC will begin to enforce on August 1, 2009, requires certain businesses and organizations — including many doctors’ offices, hospitals, and other health care providers — to develop a written program to spot the warning signs — or “red flags” — of identity theft. Is your practice covered by the Red Flags Rule? If so, have you developed your Identity Theft Prevention Program to detect, prevent, and minimize the damage that could result from identity theft?

WHO MUST COMPLY

Every health care organization and practice must review its billing and payment procedures to determine if it’s covered by the Red Flags Rule. Whether the law applies to you isn’t based on your status as a health care provider, but rather on whether your activities fall within the law’s definition of two key terms: “creditor” and “covered account.”

Health care providers may be subject to the Rule if they are “creditors.” Although you may not think of your practice as



help patients get credit from other sources — for example, if they distribute and process applications for credit accounts tailored to the health care industry.

On the other hand, health care providers who require payment before or at the time of service are not creditors under the Red Flags Rule. In addition, if you accept only direct payment from Medicaid or similar programs where

the patient has no responsibility for the fees, you are not a creditor. Simply accepting credit cards as a form of payment at the time of service does not make you a creditor under the Rule.

The second key term — “covered account” — is defined as a consumer account that allows multiple payments or transactions or any other account with a reasonably foreseeable risk of identity theft. The accounts you open and maintain for your patients are generally “covered accounts” under the law. If your organization or practice is a “creditor” with “covered accounts,” you must develop a written Identity Theft Prevention Program to identify and address the red flags that could indicate identity theft in those accounts.

SPOTTING RED FLAGS

The Red Flags Rule gives health care providers flexibility to implement a program that best suits the operation of their organization or practice, as long as it conforms to the Rule’s requirements. Your office may already have a fraud prevention or security program in place that you can use as a starting point.

If you’re covered by the Rule, your program must:

1. Identify the kinds of red flags that are relevant to your practice;
2. Explain your process for detecting them;
3. Describe how you’ll respond to red flags to prevent and mitigate identity theft; and
4. Spell out how you’ll keep your program current.

What red flags signal identity theft? There’s no standard checklist. Supplement A to the Red Flags Rule — available at [ftc.gov/redflagsrule](http://www.ftc.gov/redflagsrule) (<http://www.ftc.gov/bcp/edu/microsites/redflagsrule/index.shtml>)— sets out some examples, but here are a few warning signs that may be relevant to health care providers:

•**Suspicious documents.** Has a new patient given you identification documents that look altered or forged? Is the photograph or physical description on the

“Every health care organization and practice must review its billing and payment

mortgage company, the law defines “creditor” to include any entity that regularly defers payments for goods or services or arranges for the extension of credit. For example, you are a creditor if you regularly bill patients after the completion of services, including for the remainder of medical fees not reimbursed by insurance.

Similarly, health care providers who regularly allow patients to set up payment plans after services have been rendered are creditors under the Rule. Health care providers are also considered creditors if they

(Continued from page 6)

ID inconsistent with what the patient looks like? Did the patient give you other documentation inconsistent with what he or she has told you — for example, an inconsistent date of birth or a chronic medical condition not mentioned elsewhere? Under the Red Flags Rule, you may need to ask for additional information from that patient.

•**Suspicious personally identifying information.** If a patient gives you information that doesn't match what you've learned from other sources, it may be a red flag of identity theft. For example, if the patient gives you a home address, birth date, or Social Security number that doesn't match information on file or from the insurer, fraud could be afoot.

•**Suspicious activities.** Is mail returned repeatedly as undeliverable, even though the patient still shows up for appointments? Does a patient complain about receiving a bill for a service that he or she didn't get? Is there an inconsistency between a physical examination or medical history reported by the patient and the treatment records? These questionable activities may be red flags of identity theft.

Notices from victims of identity theft, law enforcement authorities, insurers, or others suggesting possible identity theft. Have you received word about identity theft from another source? Cooperation is key. Heed warnings from others that identity theft may be ongoing.

SETTING UP YOUR IDENTITY THEFT PREVENTION PROGRAM

Once you've identified the red flags that are relevant to your practice, your program should include the procedures you've put in place to detect them in your day-to-day operations. Your program also should describe how you plan to prevent and mitigate identity theft. How will you respond when you spot the red flags of identity theft? For example, if the patient provides a photo ID that appears forged or altered, will you request additional documentation? If you're notified that an identity thief has run up medical bills using another person's information, how will you ensure that the medical records are not commingled and that the debt is not charged to the victim? Of course, your response will vary depending on the circumstances and the need to ac-

commodate other legal and ethical obligations — for example, laws and professional responsibilities regarding the provision of routine medical and emergency care services. Finally, your program must consider how you'll keep it current to address new risks and trends.

No matter how good your program looks on paper, the true test is how it works. According to the Red Flags Rule, your program must be approved by your Board of Directors, or if your organization or practice doesn't have a Board, by a senior employee. The Board or senior employee may oversee the administration of the program, including approving any important changes, or designate a senior employee to take on these duties. Your program should include information about training your staff and provide a way for you to monitor the work of your service providers — for exam-

ple, those who manage your patient billing or debt collection operations. The key is to make sure that all members of your staff are familiar with the Rule and your new compliance procedures.

WHAT'S AT STAKE

Although there are no criminal penalties for failing to comply with the Rule, violators may be subject to financial penalties. But even more important, compliance with the Red Flags

Rule assures your patients that you're doing your part to fight identity theft.

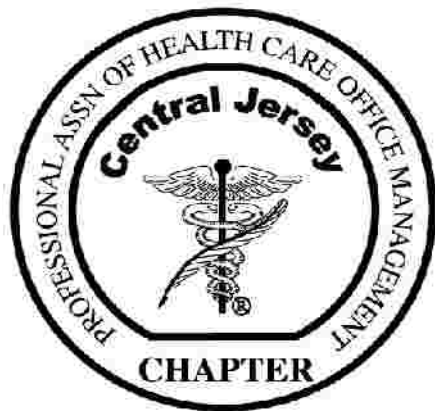
Looking for more information about the Red Flags Rule? The FTC has published [Fighting Fraud with the Red Flags Rule: A How-To Guide for Business](#), a plain-language handbook on developing an Identity Theft Prevention Program. For a free copy of the Guide and for more information about compliance, visit ftc.gov/redflagsrule.

In addition, the FTC has released a fill-in-the-blank form for businesses and organizations at low risk for identity theft. The online form offers step-by-step instructions for creating your own written Identity Theft Prevention Program. You can fill it out online and print it. The do-it-yourself form is available at ftc.gov/redflagsrule.

<http://www.ftc.gov/bcp/edu/microsites/redflagsrule/index.shtml>

Courtesy of The Federal Trade Commission





Coming Events

October 28, 2009

Insurance Update Open House

December 9, 2009

Annual Members Only Holiday Luncheon

(Continued from page 5)

- Upon receipt of employer and employee submissions, State will make determination
- For leave taken for sick family member, benefits may be paid for 3 weeks pending receipt of medical certification
- Claim will not be denied based on failure to follow procedures if State determines that notice and certification is supplied as soon as reasonably possible

When Employer Uses Private Plan:

- Pursuant to claim procedures adopted by private plan, which can be no more burdensome on the employee than the State procedures

Can the Employer Deny a Paid Family Leave Benefit Request?

- Not exactly
- The State (or private plan) determines whether to grant Paid Family Leave benefits
- The Employer may challenge State's determination of eligibility by same appeal procedures applicable to TDI appeals

What are an Employer's Notice Obligations?

- Must conspicuously post notice of Paid Family Leave Rights, using form to be issued by DOL

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- Do you have access to the shared resources available to chapter members only, valued at well over \$1000.00 and growing
- Do you have access to the "Members Only" Section of our website and the National PAHCOM website that contain additional resources such as...
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- Central Jersey Chapter Web Site "Members Only" Section that includes
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 - ⇒ Job bank/Help Wanted
 - ⇒ **NEW** Shared resource library
 - ⇒ Helpful practice forms and resources
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- Must provide written copy of notice to each employee within 30 days after DOL issues
- Must provide written copy of notice to each employee at time of hiring
- Must provide written notice whenever employee notifies employer of need for leave
- Must provide written notice upon first request of employee

What is the Law's Effective Date

- Payroll deductions must commence January 1, 2009
- Benefit available commencing July 1, 2009

What are the Penalties for Filing a False Claim?

- \$250 fine for each false statement made to get benefits
- \$1000 fine for violations with intent to defraud State

What is the Law Called?

- Officially called Family Temporary Disability Leave law
- Commonly known as the Paid Family Leave law

Numbers of disabled rising

The CDC has released a new report that looks at the current prevalence of disability in the United States. They analyzed data from the U.S. Census Bureau's Survey of Income and Program Participation. The report estimates that more than one in five or 22 percent of adults report having some type of disability. That percentage is essentially unchanged from 1999 but due to the aging of the U.S. population that translates into an increase of 3.4 million; for a total of 47.5 million disabled people.



Courtesy of Physician Practice Pearls