

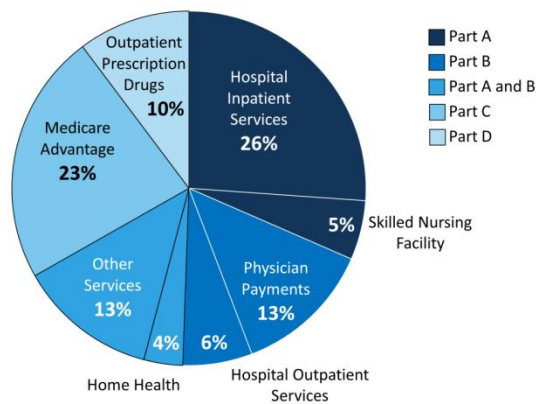


Face it, if someone 20 years ago said that this is the future of medicine, you probably would have laughed them out of the building. If they said that doctors would be cast as villains, that every sentence they wrote would be coded to death for bean counters and that in hopes of simplifying healthcare they made it more complex and more expensive, you would have them committed. Well, with that in mind, here are some important events in your world! Warning: Read at your own risk!

GOVERNMENT: DOCTORS ARE CROOKS AND THIEVES

According to the inspector general of the Department of Health and Human Services you physicians, taking care of people day-to-day, are fraudsters. According to the inspector general, Medicare is overpaying for office visits and other patient evaluations...by 21% or 32 billion dollars. Physicians are billing...gulp... level #4 exams, fiendishly sucking that massive \$87 dollars out of the mouths of the poor and disenfranchised. The failure of Obamacare surely rests on the backs of you the greedy, heartless physician. Mind you, physician services account for **only** 13% of Medicare costs, but it is the visit to the doctor's office – your office - that is the breaking point. Can you spell A_U_D_I_T?

Medicare Benefit Payments By Type of Service, 2012



Total Benefit Payments = \$536 billion

NOTE: Excludes administrative expenses and is net of recoveries. *Includes hospice, durable medical equipment, Part B drugs, outpatient dialysis, ambulance, lab services, and other services.
 SOURCE: Congressional Budget Office (CBO) Medicare Baseline, February 2013.



THE LUNATICS HAVE CONTROL OF THE ASYLUM

I just wanted you to get a jump on the ICD-10 codes so here is a lesson; keep this handy guide for future reference (this is not a joke).

- ❖ T63622A: Toxic effect of contact with other jellyfish, intentional self-harm, initial encounter

- ❖ V9542XA: Forced landing of spacecraft injuring occupant, initial encounter
- ❖ V9733XA: Sucked into jet engine, initial encounter
- ❖ V80731A: Occupant of animal-drawn vehicle injured in collision with streetcar, initial encounter

These codes will be particularly useful next time you see a patient with any of the following histories:

- ❖ Your patient attempted suicide by jellyfish
- ❖ If you have a patient who ended up in the hospital after being injured during the forced landing of his spacecraft
- ❖ If your patient was sucked into the engine of an airplane and then casually came to your waiting room for your biller to code correctly.
- ❖ If your patient was in a horse-drawn carriage while collided with a trolley

Okay, I know you are keeping this guide, so here are a few more...for real:

- ❖ V9102XA: Crushed between fishing boat and other watercraft or other object due to collision, initial encounter
- ❖ T71232A: Asphyxiation due to being trapped in a (discarded) refrigerator, intentional self-harm, initial encounter
- ❖ Y9286: If you are hurt in an abattoir, “slaughterhouse as the place of occurrence of the external cause”.
- ❖ F521 is “sexual aversion disorder,” not to be confused with code
- ❖ G4482: Headache associated with sexual activity
- ❖ T63813A: Toxic effect of contact with venomous frog, assault, initial encounter

Did you know there were 9 codes for bites in ICD-9, but there are over 300 in ICD-10?



Do you know how much this transition is supposed to cost, well that’s been studied too:

- **\$83,290** for a small practice (3 physicians and 2 administrative staffers),
- **\$285,195** for a medium practice (10 providers, 1 professional coder, and 6 administrative staffers), and
- **\$2.7 million** for a large practice (100 providers, 10 full-time coding staffers, and 54 medical records staffers)

Exactly, who is supposed to pay for this conversion? Oh, that would be you, the physician. Silly me for even asking!

There is an excellent article posted on the following link. It is a good read, if you can keep your sanity: http://www.weeklystandard.com/articles/code-chaos_783576.html?page=1

SHOCK HEADLINE

Obamacare Costs Are More Than Projected. In order to arrive at the still to be verified number of 8 million signups, the government offered generous subsidies (more on that to follow). But with 9 of 10 individuals receiving government assistance, the cost has continued to escalate. What happens when you lower premiums for certain consumers by an average of 76%? ...someone (you the taxpayer) is going to have to cover the difference. Premiums that would have cost \$346/month on average are costing signee's \$82/month. That leaves you on the hook for an average \$264/month for each enrollee. Aside from your family, how many individuals are you supporting? I didn't even get a father's day card from my healthcare dependents.

The federal government is on track to spend at least \$11 billion this year on subsidies for consumers purchasing plans from the federal market place. Mind you, it will be worse next year, since many enrollees will receive only partial (pro-rated) subsidies since they signed up in March. Oh, and this number does not take into account those receiving subsidies from state exchanges. As a result, the real cost of subsidies in the neighborhood of \$16.5 billion. So much for congressional budget office projections.

That same congressional budget office estimated that subsidy costs will rise to \$23 billion next year and \$95 billion by 2024....does anyone wonders if these will also be far below the mark?

IS THAT MONEY STILL LEFT IN YOUR POCKET, IT'S NOW GONE!

Do you remember us telling you that the government (meaning you the tax payer) will have to bail out the insurance companies to offset their Obamacare losses? These were labeled as risk adjustments. Under previous plans there were two ways to get the money without coming directly after you, the taxpayer. First, was the risk corridor plan where the government would claw back the money from profitable health plans to offset the losses of plans that lost money. Well, there will not be enough healthy plans to do so this year (if any at all).

The next scheme was to use taxpayer funds to offset losses. But this money does not exist as it was never set aside. The acting administrator of the CMS Center for Consumer Information and Insurance Oversight just let the cat out of the bag when testifying before Congress. She said if the money cannot be clawed back from profitable insurance companies then CMS has the authority to impose additional "user fees" on all health insurers to cover the losses. These "user fees" will be passed onto everyone in the form of guess what?...higher premiums. You have a lot more dependents than you ever thought, don't you?

DOES YOUR EMR COMPANY HATE YOU

As of May, only 485 physicians in the whole country had completed meaningful use level 2. Most of these were Athena clients. Leading vendor Epic is a distant second, followed by cloud-based startup Practice Fusion, which claims the most doctors on its platform. Hospitals are even worse with only 10 completing stage 2. Thankfully, the deadline for meaningful use stage 2 has been pushed back from 2014 to 2016, but if you think the EMR companies are on your side, forget about it. Athena is pushing against the delays, because they see themselves having a lead in competition despite the fact that only .05% of all physicians were able to complete meaningful use level 2 so far. That's what I like; another healthcare company paving the way to better care. Making sure their clients, doctors, are happy....NOT!

DEBBIE DOWNER STRIKES AGAIN

So what would you say if it was claimed 8 million people signed up for Obamacare but insurers were warning that of these 8 million, 20% of the sign-ups will not be complete due to non-payment? You might raise your eyebrows.

What would you say if you discovered that three out of four enrollees already had health insurance before Obamacare? You may look surprised?

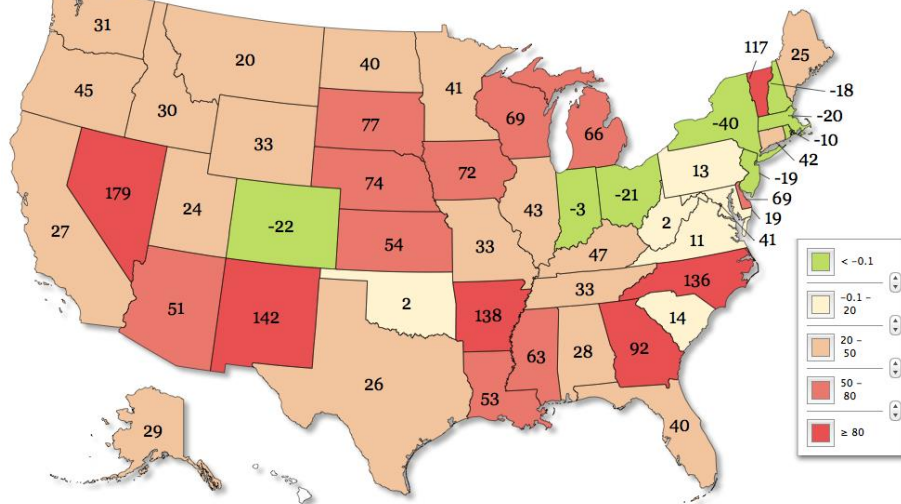
What would you say if as many as two million Medicaid enrollees through Healthcare.gov may not be eligible? You may gasp.

But now the NY Times is saying that two million enrollees in exchange plans submitted subsidy-eligibility documentation that differed from government records. Many may have to repay the government. You mean people lied on the site to game the system? Who would have thought? Liar, Liar, Pants on Fire! How could this happen? The HHS failed to produce the computer systems necessary for income verification by the deadline. As originally proposed, the federal and state exchanges were supposed to have an instant verification in place that would integrate IRS data. That concept was placed under the proverbial bus and discarded despite 42 months of leeway and ½ billion dollars spent on the federal site alone. Rumors are circulating that the individuals, who "differ" from government records, may be "forgiven". But who will make up the difference? Silly question, I know. You and I, the tax payer would cover the cost

STARK FACTS

- 41 states and Washington DC will experience insurance premium hikes under Obamacare
- 49-State Analysis: Obamacare to Increase Individual-Market Premiums by Average Of 41%

Percent Change in Individual-Market Premiums, Average of All Age Groups, Post- vs. Pre-ACA



- Men face the steepest increases – 77% for a 27 year old male, 37% for a 40 year old male and 47% for a 64 year old male. Women will face significant increases, but less marked. 18% for a 27 year old female, 28% for a 40 year old female and 37% for a 64 year old female.
- As premiums increase, networks will narrow as exchange plans narrow networks of physicians and hospitals. Prestigious medical schools are definitely on the out. Many exchange patients with difficult cases taken care of at tertiary centers will be left high and dry.
- The elderly will receive massive subsidies: 64 year olds consume 6 times more health care than 19 year olds, but insurers can only charge oldsters three times what they charge youngsters (see age banding in last newsletter). Whammo, young people get prices massively raised to pay for elderly. Result, massive transfer of wealth, young to old!
- Double Whammo and Irony Alert – it’s the young people that elected President Obama and the old voters backed Romney.

HOME SELLER BEWARE

Are you selling your home? If so, you need to consider the financial ramifications. There is a new, complicated formula on high-end home sales that adds an additional 3.8% tax to fund Obamacare....high-end basically means people who own homes in California. You are talking thousands and thousands of dollars out of your pocket at the time of the sale. This tax affects singles with adjusted gross income of \$200K and more and couples with joint income of \$ 250K or more. When your home is sold, profits over \$ 500K are subject to capital gains tax and now include an additional 3.8% for Obamacare. Working to your benefit is the fact that, if the profit realized from the sale of the home falls below the capital gains exclusion totals (\$250K for singles and \$500K for couples), then it can't be tacked on to that household's net-investment income tally. Hence, that 3.8% Medicare tax would not apply. So if you had a California home you bought for \$1 million and sold for \$2 million, you won't get taxed on the first \$500K for couples, but after that... hello... 3.8% Obamacare tax. Check with your broker and tax advisor to see how this applies to you.

SOMETHING TO SHARE WITH YOUR PATIENTS

You already know that individuals without health insurance are subject to a tax penalty under Obamacare. Did you know that individuals receiving subsidies from the government (that's 90% of enrollees) could be on the hook for more taxes? This is due to the fact that the subsidy is not a subsidy but an advanced tax credit. So what does that mean? Changes in income will be accompanied by changes in taxes. When the year finishes and taxes are filed, reconciliation will occur. If an individual made more money than anticipated, he/she will owe the government the excess from the tax credit or "subsidy" that was provided. Sound complicated? It is. This will complicate millions of returns, especially for the self-employed. An estimated 3 out of 4 subsidy recipients will see their income change more than 10 percent year to year. About 1/3 of those will have to make repayments to the government because of higher income. One in 10 will have to refund the whole subsidy. Can you say ouch!

PINK SLIPS

Are you a UnitedHealth Medicare Advantage doctor? Pink slips are in the mail. UnitedHealth dropped more physicians from its Medicare Advantage network by bulk mail. This is on top of the 30,000 physicians already cut. For example, Georgia is reporting a 10% reduction by September 1. Minnesota's cut is expected to be 10-15%. The plan is to consolidate patients into larger practices. Hmmmm....are other insurance companies soon to follow?

HELP

Private Practice Doctors is more than a newsletter. It is a buying service, a discount banking source, a networking hub and provides so many other services. We could really use your help. As Benjamin Franklin so aptly said... "If we do not hang together, we shall surely hang separately." Join PPD now; shoot me an email at reed.wilson@privatepracticedoctors.com for more information.

REMEMBER – NETWORKING EVENT

Newsroom Cafe

Tuesday, June 24, 2014

6:00 PM

120 N. Robertson Blvd., Los Angeles, CA 90048

RSVP: Rachael Gordon: rgordon@keyway.net