



# MEDICAL MANAGER

## INSIDE THIS ISSUE:

<i>What Happens Now</i>	<b>2</b>
<i>What Happens in the Future, What is the Ultimate Goal</i>	<b>2</b>
<i>Physicians and Reform</i>	<b>3</b>
<i>Insurance and Reform</i>	<b>3</b>
<i>Billing and Coding</i>	<b>3</b>
<i>Review</i>	<b>4</b>

## We're Back!

Welcome to the first issue of Medical Manager since November 2009. With all the end of year tasks and tax preparation associated with our bookkeeping and tax business, we have not been able to publish a newsletter. And there are certainly a lot of exciting things going on in the health care industry right now. This new issue addresses the new health care reform bill, what changes are happening now and what changes are to come in the future, and what it means for physicians, insurance companies, and medical office management. Enjoy!

## HEALTH CARE REFORM—NOW WHAT?

So the health care reform bill has passed, and regardless of where you stand politically, this is big change for all of us, doctors, patients, and medical office staff alike. There is lots of information available about the reform out there on the internet and other news sources, and unfortunately a lot of it is incorrect or skewed by political agendas. We at MD Alliance Billing, LLC, feel that you deserve to know the facts plain and simple without any interpretation or added opinion.

In this issue of "Medical Manager" we will try to explain the bill, what happens now and what happens in the future, and how it might affect doctors, insurance companies, and those in the medical billing profession. Much of our



information comes from the federal website [healthreform.gov](http://healthreform.gov) but some additional facts and figures may come from other sites which will be noted. We urge all our readers to do their own research on the bill and to ask questions about how it will affect their personal practices.

There is obvious controversy surrounding the reform, and several attorney generals' office are currently proposing legal battles to prevent the bill from becoming law in their state. No

one knows exactly how the reform bill will affect costs, health care accessibility, doctor pay, insurance companies, etc. There are certainly theories, and plans, and ideas that promise anything from a decreased federal budget, lower costs, and greater access for more people to concerns that it will actually increase costs, make doctors harder to get into to see, and raise taxes for people to unacceptable highs. Of course, any kind of major change like this is going to be difficult and to cause people to worry, wonder, and conjecture. Hopefully this issue will help clear up some questions you may have, but it will be a waiting game for all of us to see if the successes of this bill outweigh any possible failures.

Cloe Sill  
President

## WHERE TO GO FOR INFO

- [healthreform.gov](http://healthreform.gov)—official government site with info on implementation state by state
- [Whitehouse.com](http://whitehouse.com)—info on health care with a stronger slant towards supporting comes
- News networks—networks that have helpful coverage:
  - [Cnn.com](http://Cnn.com)
  - [Msnbc.com](http://Msnbc.com)
  - [Cbsnews.com](http://Cbsnews.com)
  - [Usnews.com](http://Usnews.com)
  - [NYtimes.com](http://NYtimes.com)



*“The most immediate changes will not actually begin until 6 months from the date the bill was signed.”*

*“In 2011, Medicare must provide free wellness and prevention plans.”*

*“In 2014, everyone must have acceptable coverage or pay a fine.”*

## WHAT HAPPENS NOW

The most immediate changes will not actually begin until 6 months from the date the bill was signed, but they include the following items:

- Children will be able stay on their parents' insurance until their 26th birthday.
- Medicare recipients receive a \$250 rebate to help fill the "doughnut hole" in prescription drug coverage.
- Insurance companies cannot deny children with pre-existing conditions.
- Insurance companies cannot drop a person when they become ill.
- Lifetime limits on benefits and restrictive annual limits will be prohibited.
- New plans must provide 100% coverage for preventive services.
- A temporary reinsurance program will help companies that cover costs of early retiree health benefits for those ages 55 to 64.
- New plans will be required to create new appeals processes for coverage denial and claims issues.
- Adoption tax credit and assistance exclusion will increase by \$1,000. The bill makes the credit refundable and extends it through 2011.



- A 10 percent tax will be imposed on amounts paid for indoor tanning services on or after July 1.
- Businesses with fewer than 50 employees will get tax credits covering 35 percent of their health care premiums, increasing to 50 percent by 2014.

## WHAT HAPPENS IN THE FUTURE

In 2011:

- Medicare provides free wellness benefits and prevention plans.
- States can offer home and community based services for disabled through Medicare.
- 50% discount on brand name drugs for Medicare and Prescription Drug Plan members.
- Additional tax for health savings account withdrawals for non medical related expenses.
- Medicare payroll tax increase for those earning \$200,000 or more.
- A plan for businesses to offer tax-free benefits.

In 2013:

- Health plans must implement electronic exchange of information.

- Flexible savings accounts limited to \$2500 a year
- Medicare Part D subsidy tax deduction for employers is eliminated.
- Income threshold and hospital insurance tax will see increases.
- 2.9% tax on first sale of medical devices established (does not include items for individual use)

## WHAT IS THE ULTIMATE GOAL—2014

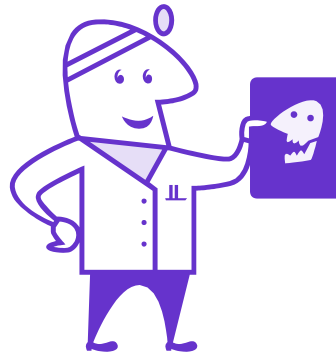
Here are the final items in the bill which will be active by the year 2014:

- Everyone must have acceptable coverage or pay a penalty of \$95 in 2014, \$325 in 2015, \$695 (or up to 2.5 percent of income) in 2016. Families will pay half the amount for children, up to a cap of \$2,250 per family.
- Workers who are exempt from responsibility for coverage but don't qualify for tax credits can join an exchange.
- Companies with 50 or more employees must offer coverage to employees or pay fines based on the number of employees.
- Insurers can no longer raise rates or refuse to sell or renew policies because of an individual's health status, pre-existing conditions, gender or other factors.
- Health plans will be prohibited from imposing annual limits on coverage.
- Health insurance exchanges will open in each state to individuals and small employers to comparison shop for standardized health packages and credits will be available for those who do not qualify for Medicare but cannot afford coverage.
- Medicare eligibility will increase and states will receive funds to cover the costs of these additional members.

## PHYSICIANS AND REFORM

Obviously a lot of doctors are wondering how this will affect their practices. The American Medical Association, the largest professional organization of physicians in the country, supports the bill. In a recent article on their website, they outline what changes are coming for physicians:

- 10% incentive payments for family practice physicians
- 10% for general surgeons performing major operations in areas with health care shortages
- 5% payment increase for mental health services
- Geographic payment adjustments that will benefit many in rural and lower cost areas
- Medicare quality reporting payment incentives will be extended and increased
- Medical liability reform initiatives will be enacted and extended to cover more medical workers
- More coverage will be provided for preventative measures



However there are doctors that do not support the bill, saying it takes away too much control from individuals and puts in the hands of the federal government. Find out more about how doctors feel by visiting the AMA website and other internet resources.

*“The American Medical Association, the largest professional organization of physicians in the country, supports the bill.”*

## INSURANCE AND REFORM

Insurance companies will certainly see decreased revenue since they will have to expand coverage to young adults, will have no annual limits, and will not be able to deny people with pre-existing conditions or drop individuals when they get sick. However, eventually this could

actually be good for insurance companies. Since all Americans will be required to have insurance there will eventually be profit increases for companies participating in the exchanges. The legislation does not provide universal, government coverage. We will still be buying it from private companies, and we



will all have to buy it. How this increase will balance out the loss they will see at first, only time will tell.

## HOW WILL IT AFFECT MEDICAL BILLING?

Those in our profession, the medical office management and billing and coding areas, are probably wondering exactly how these changes will affect our business. Well, nobody knows exactly since none of the elements of the bill directly relate to medical billing and coding.

However, it is a logical deduction to assume that as more and more Americans will have insurance policies,



more and more claims will be filed, meaning more and more medical billers will be needed. The requirements for electronic

processing will certainly also affect billing and coding, but there will still be a need for people to enter data, check for errors, and be someone people can connect with if they have questions or concerns about their new policy. We predict this will be a great time of growth for the medical billing and coding profession.

### Medical Manager Minute

Got questions? The government welcomes your questions and concerns about the health care reform bill. You can email questions to [Healthreform@hhs.gov](mailto:Healthreform@hhs.gov) or visit the Whitehouse facebook page to leave comments, concerns, or questions. There is also a Your Questions Answered page available at this link—<http://www.healthreform.gov/about/answers.html>—that covers a lot of answers about small business and family coverage.

**MD Alliance Billing,  
LLC**

Cloe Sill, President  
710 Mockingbird Lane  
Kerrville, TX 78028

Phone: 830-257-2590  
Fax: 830-257-1070  
E-mail:  
cloe@mdalliancebilling.com



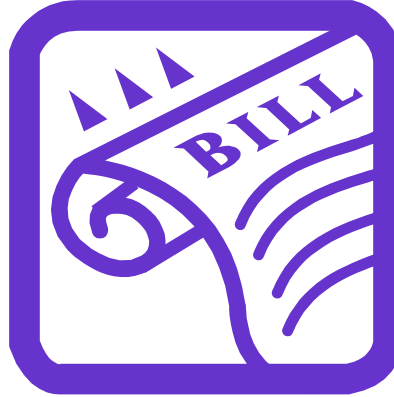
*"Your Practice Management Specialist"*

Mailing Address Line 1  
Mailing Address Line 2  
Mailing Address Line 3  
Mailing Address Line 4  
Mailing Address Line 5

---

## REVIEW

- The most immediate effects of the health care reform bill will take place 6 months from the date of signing and include:
  1. Allowing children to stay on parents insurance until age 26
  2. Preventing insurance companies from denying coverage to sick children
  3. Ending lifetime and annual benefits limits.
- Future changes from the bill include requiring all Americans to have insurance or face a fine, establishment of insurance exchange programs, requiring all employers with 50 or more employees to provide coverage, and preventing people from dropping people



or denying coverage because of pre-existing conditions, age, health, gender, etc.

- Many doctors groups, including the AMA, support the bill, citing the benefits to doctors, but some do not, concerned about increased government involvement
- Insurance companies may see temporary loss of revenue because of the bill but may ultimately see increased

income as more and more Americans are required to buy insurance from private insurance exchanges

- It is unknown what will happen to the medical billing and coding industry, but it is predicted that the need for skilled billers and coders will increase as more people have insurance and more claims are filed
- MD Alliance Billing, LLC, encourages you to look carefully into the reform bill and to form your own decisions. This is something we will all be dealing with very soon, so the more we know about it, the better prepared we will be.