

PATHOLOGY UPDATE

A Message From IPMS



David L. Korn
Chief Administrative Officer

In this edition of Pathology Update, we would like to introduce Mr. David L. Korn, Chief Administrative Officer of IPMS. Mr. Korn has been very successful in the healthcare industry during his career. He has proven to be an innovative leader with an impressive record of accomplishment, and more importantly, he has demonstrated a deep interest in IPMS and its future.

With more than 25 years of experience in the healthcare industry, his diverse experience includes executive management, business development, project management and client consulting in the healthcare and information technology industries.

Mr. Korn's healthcare background focuses on service delivery and strategic business development. He be-

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RED FLAG RULES ~ARE YOU READY?

The Federal Trade Commission (FTC) has announced that the enforcement of the Red Flag Rule will go into effect November 1, 2009 for health care providers. So what exactly is a "Red Flag"? The rules define a "Red Flag" as any "pattern, practice or specific activity that indicates the possible existence of identity theft". The intention of the Red Flag Rule is to provide consumers, our patients, with protection from identity theft. At IPMS, we are ready for the Red Flag Regulations. We have a high obligation to our clients to provide our services in accordance with the Red Flag Rule requirements and have developed policies and procedures designed to detect, prevent and mitigate identity theft. We have internally performed a risk analysis; developed an Identity Theft Prevention Program; and have fully trained our staff on this ruling as well as existing HIPAA-related policies and procedures—which already puts us ahead of the curve.



According to the FTC, a physician falls under the definition of "creditor", one who maintains "covered accounts". These are accounts that are set up to permit multiple payments or transactions, such as insurance payments allowing unpaid balances to be billed to the patient.

In order for your practice to comply with the "Red Flag" Rule, there are four measures that must be taken to provide the necessary administration of the program. The healthcare entity must establish policies and procedures to:

- Identify relevant Red Flags and incorporate them into the program.
- Detect Red Flags that are part of the program.
- Respond appropriately to any Red Flags that are detected.
- Ensure the program is updated periodically to address changes.

There are extra steps physician offices should take to decrease the possibility of identity theft. They should not only take the patient's insurance card for review, but also compare the name on the card and the patient's photo identification. If the office is making copies of these forms of identification (i.e., insurance card, driver's license), the office must be sure that this information is kept secure. According to the World Privacy Forum, staff should take patient complaints and inquiries seriously. Should a complaint or question arise from a patient on the receipt of a bill for another patient, a service they state they never received, a physician they never saw, or an insurance explanation of benefits they feel is incorrect, the "Red Flag" policies should be followed to investigate the possibility of identity theft.

Every physician practice and every billing entity must be ready for the Red Flag enforcement on November 1, 2009. Further information regarding Red Flag Rules can be found on the Federal Trade Commission's website at <http://www.ftc.gov/opa/2009/07/redflag.shtm>.

—Tina Scavetta
Account Manager

CODING CORNER

PROFESSIONAL SERVICES IN THE CLINICAL LAB



Sharon Donelli, CPC, CPC-H
Administrative Officer

Billable or not? As is often the case with pathology coding and billing, the answer is layered. Here's a typical scenario: A board certified APCP pathologist of a hospital laboratory bills lab codes with the professional modifier 26, such as comprehensive metabolic panels, urinalysis, blood counts and prothrombin times. The payer denies these services based on the fact that they already pay the hospital for laboratory services and also there is no documentation to substantiate that a professional service was rendered.

The College of American Pathologists (CAP) defends separate billing for the professional component of clinical laboratory services. The American Medical Association (AMA) supports CAP's position. CPT Assistant commented: "Pathologists often report the professional component of clinical laboratory tests because they oversee the clinical laboratory and are responsible for the results." (It should be noted that engaging in this practice carries significant responsibilities from the pathologists, requiring an active involvement in the clinical laboratory as physicians.)

The AMA has stated, "A written report for an individual patient *is not a requirement* for having performed a professional component service". However, this is an area of contention with many payers, who go on record to say they require a written report for any billable service.

The practice of separate billing for the professional component of clinical laboratory services has been in effect for many years in Texas, California, Illinois and Florida. Pathologists from other states have been rapidly adopting it. Although its validity has been challenged by commercial carriers, it has successfully been defended by several state pathology societies and is fully endorsed by the College of American Pathologists and the American Pathology Foundation. Payers following Medicare and Medicaid Services (CMS) guidelines will not make separate payment for the pathologist's professional services in the hospital and here is where the issues begin to arise. Medicare pays a single "global" fee to the hospital to cover all expenses, and the pathologist must negotiate with the hospital for service compensation.

Regarding the controversy surrounding whether or not to bill for the professional piece of these clinical lab services, providers will need to address reimbursement issues for this service on a case-by-case basis with the non-Medicare payers. This could prove to be a long and unrewarding uphill battle. You need to weigh all the pros and cons to determine whether the reward is worth the hassle factor. The reality is that the payment should come from somewhere. A pathologist in a clinical laboratory has a legitimate claim to reimbursement for his or her supervisory services, either through payment from the hospital, the patient or the patient's insurer. Although insurers may elect to make a single payment for clinical laboratory services, as Medicare does, they cannot elect to forego payment altogether for professional services.



2010 CHANGES TO THE ICD-9 NEUROENDOCRINE TUMORS CATEGORY

About a year ago we were introduced to a new section in the 2009 ICD-9 coding book. Section 209 was dedicated to neuroendocrine tumors, more specifically carcinoid tumors. Malignant carcinoids of the small intestine are listed under 209.0_. Large intestine, rectum and appendix 209.1_, other and unspecified sites 209.2_, and poorly differentiated tumors 209.3_. Benign carcinoids of the small intestine can be found under 209.4_, appendix, large intestine and rectum 209.5_ and other and unspecified sites 209.6_. In the 2010 edition of the ICD-9 book this category has been expanded to now include secondary neuroendocrine tumors (209.7_).

A MESSAGE FROM IPMS

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gan his career as a physical therapist where he learned first-hand the multiple issues and requirements for assuring high quality, effective and people-focused services. Recruited to Mount Sinai Hospital in Hartford, CT he was responsible for the growth and development of the Mount Sinai Hospital Rehabilitation Center. Promoted to Assistant Vice President of Clinical Services, Mr. Korn had executive responsibility for several hospital departments including Cardiology, Obstetrics & Gynecology, Neurology, Pulmonary Medicine and the Mount Sinai Hospital Rehabilitation Center.

Recruited by the Hartford Health Care Corporation to become the President and CEO of Immediate Medical Care Centers (IMCC), David led the financial turn around of IMCC, increased revenues and profitability through significant changes in the operations and marketing functions, and led its initial transition from a group of facilities delivering episodic care to a multi-service primary care organization. He later moved on to help found the Eastern Rehabilitation Network (ERN), a joint venture between Hartford Healthcare Corporation and Advantage Health Corporation (AHCC on NADEQ). As ERN's Vice President of Business Development he helped grow annual revenues from \$2.5mm to \$10mm in an eighteen-month period through practice acquisitions and contract development.

Mr. Korn subsequently founded a health care consulting company, Orion Jones Consulting Group. Orion Jones focused upon business turnarounds and management consulting of for-profit corporations affiliated with large health care systems. Several projects were conducted for health care systems throughout the United States. Consulting efforts focused upon strategic initiatives in medical practice management, occupational healthcare delivery and rehabilitation services.

His entry into the information technology industry began when he and his business partner founded Bletchley Park Advisors. Bletchley Park's mission was to provide business planning, management consulting and access to capital for early stage technology companies. The development of Bletchley Park resulted in the establishment of a business relationship with Court Square Data Group. David and his partner ultimately became employees of Court Square in 2001.

Initially hired as a Strategic Consultant for Court Square Data Group, Mr. Korn was promoted to Vice President of Operations in Groton. Working together with a strong team of professionals he facilitated the growth of Court Square's outsourced and project management service business with Pfizer, Inc. from \$5.5 million to \$14 million per year.

In 2008, he founded David L. Korn, Strategic Consulting, a healthcare consultancy specializing in business and organizational development that assists clients to effectively plan and deliver services and products to the marketplace. Clientele included Yale New Haven Hospital where he was engaged to organize, develop and deliver Business and Operational Plans to guide the implementation and operation of community-based multi-service ambulatory care facilities and centers of excellence.

Mr. Korn holds a Bachelor of Science from Ithaca College and a Master in Public Administration from the University of Hartford. Through the years he has attended several continuing education courses and seminars in executive and financial management and, as an Associate Professor in the University of Hartford's School of Allied Health he has taught undergraduate courses in business administration. Mr. Korn retains his professional licensure in Physical Therapy.

Please join us in welcoming Mr. David Korn to IPMS.

2010 CHANGES TO THE ICD-9 NEUROENDOCRINE TUMORS CATEGORY

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Up to now Merkel cell carcinomas have been included in the malignant skin neoplasm category (173._). This changes on October 1, 2009. The Merkel cells will now also be found under the newer 209 neuroendocrine tumor category. Originally 209.30 was reserved for "malignant poorly differentiated neuroendocrine carcinoma, any site". New codes have been added to this subcategory to include Merkel cells of various sites:

- 209.31 of the face
- 209.32 of the scalp and neck
- 209.33 of the upper limb
- 209.34 of the lower limb
- 209.35 of the trunk
- And 209.36 of other sites (buttock, genitals, not otherwise specified).



Secondary Merkel cell carcinomas can now be coded as 209.75.

—Beth Parent, CPC

We Moved!

IPMS recently moved into our new office at 99 East River Drive in East Hartford. Just a stone's throw away from our previous headquarters, our new building is conveniently located at the juncture of I-84 , I-91 and Route 2. We invite you to come visit us in our new home . . .



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