



**A Coalition of 14 Medical Societies Representing
more than 200,000 Specialty Physicians in the United States**

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Suzanne Lathroum
Director, Division of Performance Evaluation Planning
Medicare Contractor Management Group
Centers for Medicare and Medicaid Services
Mail Stop S2-21-28
7500 Security Boulevard
Baltimore, MD 21244-1850

RE: Alliance of Specialty Medicine Comments on Section 911 of the Medicare Modernization Act (MMA)

Dear Ms. Lathroum:

The undersigned members of the Alliance of Specialty Medicine (the Alliance) welcome the opportunity to provide comments on the Centers for Medicare and Medicaid Services' (CMS) plans to implement Section 911 of the MMA. The Alliance was founded in 2001 to serve as a strong voice for specialty medicine and represents over 200,000 physicians in 14 medical specialty organizations. It is dedicated to addressing many of the complex and often controversial healthcare issues debated in Washington today. The sheer volume of provisions in the MMA and short timeframes for implementation makes a collaborative approach with physicians and other health care providers imperative. The Alliance, therefore, appreciates Congress' including language requiring consultation with providers in Sec. 911.

This section establishes a competitive bidding process to replace the existing carrier and fiscal intermediary contracts with Medicare Administrative Contractors (MACS). The process should be in place by October 2005. The award of MAC contracts will end the historical separation of contractors administering Part A and Part B of the Medicare. It will change long-standing relationships with physicians, contractors, and CMS that are extremely complex and valuable. MACS will manage claims payment and medical review, appeals, local coverage decisions, physician education and technical assistance, and provider enrollment in the Program. Therefore, great care must be taken to establish contractor requirements and oversight processes that improve the current arrangements. We urge CMS to carefully consider the principles and concerns that the Alliance has outlined below:

- Sec. 911 should be carried out in the spirit of regulatory reform and administrative simplicity.
- Claims payment must be timely and accurate. New contractor systems should be thoroughly pilot tested before national implementation. Every transition to new Medicare payment systems has been fraught with contractor software problems, which adversely affect provider cash flow.
- Requirements for additional documentation from physicians should be minimal, and costs of supplying this information should be reimbursed.
- Contractor staff should be knowledgeable about all aspects of the requirements and be able to assist physicians in a timely and professional manner. MACS should provide binding guidance to physician inquiries in a maximum of 45 days.
- Education and outreach should be a priority and CMS must provide adequate educational funds, especially during the initial transition phase.

American Academy of Dermatology Association • American Association of Neurological Surgeons/Congress of Neurological Surgeons
American Association of Orthopaedic Surgeons • American College of Cardiology • American College of Emergency Physicians
American College of Obstetricians and Gynecologists • American College of Radiology Association
American Gastroenterological Association • American Society for Clinical Pathology
American Society for Therapeutic Radiology and Oncology • American Society of Cataract & Refractive Surgery
American Urological Association • National Association of Spine Specialists • Society of Thoracic Surgeons

- CMS should enhance its systems, e.g. Common Working File, to allow physicians to get real time information about claims and beneficiary status.
- MAC (formerly CAC) Advisory Committees should be maintained with adequate specialty representation.
- Medical directors should be identified for every state, regardless of the final number of MACs selected.
 - Adequate funding should be provided for these Medical Directors to travel to provide locations for direct contact with providers and billing personnel.
- The Local Medical Policy process should be as consistent as possible across MAC jurisdictions.
 - The LMP process should be open to local physician representatives for review and comment during the draft phases, using list serves or some other mechanism for timely notification about proposed changes in coverage.
 - As much as possible, LMPs should not contradict CPT guidance, CCI Edits, or other key guidance on which providers rely for billing and coding decisions without adequate communication and education to local providers before implementation.
- MACS should significantly reduce the number of routine denials that are generally overturned on appeal.
 - MACS should reduce the amount of additional documentation required from physicians to the minimum required for claims review purposes.
- Medicare should adhere to current policy regarding payment for covered services, avoiding specialty-specific competency disputes.
- Physician enrollment (via CMS Form # 855) must be more efficient; MACS should process 855s in 60 days, as is currently stated in CMS manuals.
- Finalizing the proposed rules to re-enroll physicians every three years should be postponed until CMS systems are fully automated to allow on-line reenrollment.
- Physicians and other providers should have an explicit role, including direct feedback to CMS, in contractor evaluation.
- CMS should develop a mechanism to incorporate physician input well before the 5-year maximum contract term.

The Alliance welcomes the opportunity to work with the CMS staff on all phases of the important changes in contractor activities. We look forward to commenting formally on the draft standards once they are published, as well as carefully reviewing your report to Congress and the General Accounting Office on implementation plans. Please contact Barbara Marone at bmarone@acep.org (202) 728-0610 or Patrice Drew at drew@aaos.org or at (202) 428-4148 should you need additional information. Thank you for considering our views.

Sincerely,

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