

**TESTIMONY OF
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ON
PHYSICIAN AND PROVIDER EDUCATION EFFORTS
BEFORE THE
SENATE COMMITTEE ON FINANCE**

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Chairman Baucus, Senator Grassley, distinguished Committee members, thank you for inviting me to discuss Medicare's provider education efforts with you. Physicians and other health care providers play a critical role in ensuring that Medicare beneficiaries receive quality health care. We know that the vast majority of physicians and other providers are honest and conscientious. We also know that at times, many of them feel overwhelmed by Medicare's requirements. Due to Medicare's complexity, coding consultants have found a niche in which they offer physicians and other providers training on how to code and bill for Medicare services. These training sessions are not affiliated with the Medicare program, and the Centers for Medicare and Medicaid Services (CMS) do not endorse, accredit or certify these programs. Some of these programs may offer physicians and other providers an alternative, or more frequent, forum for learning billing procedures. We recognize we have many areas in which we need to improve, and we are redoubling our efforts at CMS to ensure that our own educational programs help physicians and other providers understand how to bill Medicare appropriately and receive payment for the care they provide. Enhancement of our education efforts and outreach are essential to the success of the program, and we believe will ultimately reduce Medicare physicians' and other providers' dependence on outside consultants.

CMS promulgates the regulations and billing instructions to which physicians and other providers must adhere. As such, it is critical that we offer extensive, on-going provider education programs – in both urban and rural areas – to ensure that physicians and other providers clearly understand the billing process and what resources are available to assist them in properly coding and billing for the services they provide. Further, we must provide reliable, easily accessible resources for physicians and other providers when they confront billing problems or have questions.

Before discussing the many initiatives underway in CMS to educate physicians, providers and suppliers of services, I would like to recognize that there are many authoritative sources of coding information available from the professional and scientific community on which physicians, providers and suppliers of services can rely. In fact, Medicare's Common Procedural Coding System (generally known as HCPCS) is based largely on the Current Procedural Terminology (CPT) created, maintained and owned by the American Medical Association (AMA). The AMA publishes not only the CPT codes that form the basis of Medicare coding of physician services, but also provides a wealth of information and services to enable physicians, providers and others to code and bill Medicare properly. Moreover, other professional organizations provide education and resources to members and others with respect to the scope of their professional services. We have worked closely with these professional organizations in the past and continue to do so in recognition of the valuable services they furnish to the physicians, providers and others who care for our beneficiaries.

With respect to CMS's role in educating and assisting physicians, providers and others to correctly bill Medicare for the services they furnish (of which an important part is selecting the correct code for the service furnished), CMS's role is largely on the front-end: we provide extensive education and training materials to newly enrolled physicians and other providers, offer resources to providers when regulations are changed or added, and field provider questions regarding Medicare billing and payment systems. For the small number of physicians and other providers with continuing problems, the contractor program integrity staff provides individualized counseling and tutoring. By simplifying the regulatory process and providing better training, we will clarify the billing system and reduce the need for providers to turn to consultants. However, despite our best education efforts, there likely will always be physicians and other providers who use outside consultants to get, for example, a "second opinion" on how to bill the Medicare program.

CMS Administrator Tom Scully has announced that he is making it a priority to bring a culture of responsiveness to the agency. These are not empty words: they stand for ensuring high-quality medical care for beneficiaries, improved communication with providers and beneficiaries, and redoubled education efforts. Two weeks ago, Secretary Thompson announced that CMS will designate a senior-level staff member as the principal point-of-contact for each specific provider group, such as hospitals, physicians, nursing homes, and health plans. These designees will work with the industry groups to facilitate information sharing and enhance communication between the Agency and its business partners. The vast majority of CMS's provider training is provided through Medicare's contractors, the fiscal intermediaries and carriers who process Medicare claims. Working with the Medicare contractors, we have taken a

number of steps to ensure the educational information we share with physicians and providers is consistent, clear, and unambiguous. We are making materials and other information available through the Internet, by toll-free telephone service, and via satellite broadcasts. We also are reaching out to physicians and providers with mailings and classroom educational seminars.

While we have made substantial progress, we still have important work to do. We are seeking out physician and provider input so that we can work to reduce burden and better focus our education efforts. We have been working closely with the physician community to develop new guidelines for billing physician office visits under Medicare, and we are rewriting our manuals, which will simplify and clarify our billing instructions and enhance provider education. We have formed a special team to pinpoint problem areas for physicians and develop suggestions for simplifying Medicare requirements.

We share a common mission with physicians and providers – ensuring high quality medical care for Medicare beneficiaries. We continue to work hard to make sure physicians and providers understand and can comply with Medicare laws and regulations, and we want to work with providers and Congress to simplify these requirements, while at the same time ensuring that we pay appropriately for Medicare services rendered. We look forward to our continued partnership with Congress and the physician and provider community to further improve our education efforts.

BACKGROUND

This year, Medicare will pay approximately \$240 billion for the health care of nearly 40 million beneficiaries, involving nearly one billion claims from more than one million physicians, hospitals, and other health care providers. The Centers for Medicare and Medicaid Services strive to ensure that Medicare pays only for the services allowed by law while making it as easy as possible for qualified health care providers to treat Medicare beneficiaries. We have to carefully balance the impact of Medicare's laws and regulations on providers with our accountability for the billions of dollars of Medicare payments. We are committed to providing good service to our physicians and provider partners while protecting the Medicare Trust Fund from errors and abuse.

Although Medicare pays over 93 percent of claims correctly based on the information submitted, improper payments occur for reasons such as insufficient documentation, lack of medical necessity, and improper coding by physicians and health care providers. During the past five years, we have worked with physicians and providers to improve their understanding of the process. As a result, Medicare has reduced its payment error rate by half, from 14 percent in fiscal year 1996 to 6.8 percent in fiscal year 2000, meeting our 2000 Government Performance and Results Act goal. We realize that the volume of laws and regulations covering Medicare's responsibilities is substantial, and we know we must continue to improve our communications so physicians and other providers understand Medicare's requirements.

This responsibility has never been plainer. Over the last five years new laws have dramatically altered the Medicare program and the health care arena, including the *Health Insurance*

Portability and Accountability Act of 1996 (HIPAA), Balanced Budget Act of 1997 (BBA), Balanced Budget Refinement Act of 1999 (BBRA), and Medicare, Medicaid, and SCHIP Benefits Improvement and Protection Act. Combined, these laws contained hundreds of provisions that we have been responsible for implementing, including new prospective payment systems for numerous segments of the health care industry, new preventive benefits, and new health plan choices for Medicare beneficiaries. The number and complexity of these changes were greater than any we had ever before experienced.

We pursued an open process as we implemented these new programs and policy changes, seeking insight and recommendations from physicians and providers, their associations, and other members of the public. This is far different from the way many private insurers conduct their business, and greatly benefits us and physicians and providers as we incorporate their recommendations into our new policies and regulations. As a result of these legislative changes we have undertaken the most extensive education program in Medicare's history, including outreach to beneficiaries, physicians, and providers to make sure they understand the changes and the requirements these changes create.

IMPROVING OUTREACH TO PHYSICIANS AND PROVIDERS THROUGH MEDICARE CONTRACTORS

We primarily rely on the private sector contractors, who by law process and pay Medicare claims, to communicate policy changes and other helpful information to educate the physicians and providers they serve. We recognize that the decentralized nature of this system has led to inconsistency in the contractors' communications with physicians and other providers, and we

have taken a number of steps to improve the educational process. We have centralized our educational efforts in our Division of Provider Education and Training, whose sole purpose is educating and training the contractors and the provider community regarding Medicare policies.

These efforts include:

- **Installing toll-free provider inquiry lines at the Medicare contractors.** In 2000, we established Medicare contractor call centers to provide up-to-date information to physicians and providers regarding billing questions and other topics. The toll-free numbers for the call centers are listed at www.hcfa.gov/medlearn/tollfree.htm. Each contractor also maintains a website and electronic bulletin boards to provide information to physicians, providers, and their staff. We are now working to ensure the highest quality service to physicians and providers at the call centers.
- **Providing consistency through standardized training for contractors.** We are providing contractors with in-person instruction and a standardized training manual for them to use in educating their constituency. These programs provide consistency and ensure that our contractors speak with one voice on national issues. For example, in coordination with the Blue Cross/Blue Shield Association, we developed train-the-trainer sessions for implementing both the Hospital Outpatient and Home Health Prospective Payment System (HHPPS) regulations. We then developed a satellite broadcast, which was rebroadcast several times prior to the effective date of the regulation. Following up on the train-the-trainer sessions, we coordinated a town hall meeting, participated in weekly conference calls with regional offices and fiscal intermediaries to monitor progress in implementing these changes and answering questions. We continue to refine our training on an on-going basis by monitoring the training sessions conducted by our

contractors. For example, this fall, we will premier a CMS digital satellite network to send interactive training to all Medicare carriers and intermediaries. Our goal is to provide at least one hour of video training and each month, supplemented by materials on our “Best Practices” website.

- **Working to improve contractor outreach.** We also are strengthening and standardizing the way in which our contractors carry out education and customer service activities. We require all contractors to provide information via printed bulletins and newsletters, as well as via the Internet. This includes requiring each contractor to have the ability to link to our website from their own website, giving physicians and providers immediate access to our Medicare learning network (www.hcfa.gov/MedLearn). And we are exploring the possibility of having e-mail listservs for specific provider types available at the contractor level to facilitate the sharing of information.

WORKING CLOSELY WITH THE HEALTH CARE COMMUNITY

Just as we are working with our contractors, we also are working directly with physicians to improve our communications and ensure that we are responsive to their needs. In 1998, we created the Physicians Regulatory Issues Team (PRIT) to improve the agency's responsiveness to the daily concerns of practicing physicians as we review and create Medicare requirements. The PRIT, which operates under physician direction and includes physicians working throughout CMS, seeks to make Medicare simpler and more supportive of the doctor-patient relationship. As part of the PRIT's efforts, we asked physicians about their information needs, and they recommended that we take advantage of new technologies, leverage our resources by working

with other involved parties, and strive to produce and distribute pertinent, clear, and consistent educational materials.

As a result, we are pursuing a broad range of activities designed to support physicians as they care for Medicare beneficiaries. For example, we are developing a system to capture and compile the many individually answered questions that come into the Agency. We plan to refine them into Frequently Asked Questions (FAQ) lists, and make them widely available via our website, publications, speeches, and other channels. This way we can provide consistent explanations not only to the inquiring physician, but any physician or provider that chooses to read or listen to our communications.

In addition, we are consulting physicians about proposed program changes, developing an easy-to-use handbook to guide physicians through relevant Medicare laws and regulations, and investigating physician concerns to find ways to simplify or eliminate unnecessary Medicare requirements. The work of Team members has led to changes to allow physicians to fax their orders for patients to receive wheelchairs and other needed equipment, and to allow physicians to receive separate payments for their work determining patients' eligibility for the Medicare home health benefit.

To complement these efforts, we provide free information, educational courses, and other services to the health care community using today's advanced technologies. For example, we have a variety of resources available on the Internet at www.hcfa.gov/MedLearn, the homepage for the Medicare Learning Network. This Network provides timely, accurate, and relevant

information about Medicare coverage and payment policies, and serves as an efficient, convenient provider education tool. For the six-month period of October 2000 through March 2001, the MedLearn website averaged over 100,000 hits per month, with the Reference Guides, Frequently Asked Questions and Computer-Based Training pages having the greatest activity. Moreover, we are:

- **Creating a more useful website.** The existing array of Medicare information on our agency website (www.hcfa.gov) for practicing physicians and their office staff is extensive, but is poorly presented for their office and billing needs. We are creating a new website architecture that takes this existing information and organizes navigation to be both easy and intuitive to the physician user. The same design is being used in creating a manual of “Medicare Basics” for physicians. We just completed field-testing the first mock-ups for the project at the recent American Medical Association House of Delegates meeting. Once this is successfully implemented, we will move to organize similar web navigation tools for other Medicare providers.
- **Providing free computer and web-based training courses.** Doctors, other providers, practice staff, and other interested individuals can access a growing number of informational courses designed to improve their understanding of Medicare. Some courses focus on important administrative and coding issues, such as how to check-in new Medicare patients or correctly complete Medicare claims forms, while others explain Medicare's coverage for home health care, women's health services, and other benefits. From October 2000 to March 2001, the computer-based training courses have averaged over 14,000 hits per month.

- **Sponsoring satellite broadcasts.** We sponsor national satellite broadcasts for physicians and other health care providers about Medicare topics such as women's health, preventive benefits, and preventing errors and abuse. The broadcasts can be viewed in hospitals, medical schools, and other Medicare Learning Centers in volunteer locations across the country through satellite television. Our broadcasts have also been picked-up by FOX Health and GE's JIP TV Network.
- **Issuing e-mail updates.** To share information as quickly as possible, we are e-mailing updates about the OPPS and HHPPS to interested hospitals, home health agencies, and others. As of February 2001, almost 10,000 subscribers received timely updates about these topics such as the two new prospective payment systems implemented in 2000 for outpatient hospital services and for home health services. We are exploring ways to provide e-mail updates to physicians and other providers.
- **Conducting monthly conference calls with physicians.** Each month, we are holding conference calls with physician organizations across the country to provide information and obtain feedback on topics of concern. The calls are open to representatives of more than 100 national, state, and specialty associations. Participating associations often share information from these calls with their physician members. Our staff, including physicians, also attend national, state, and local medical society meetings to meet with physicians, to hear their concerns, and to explain Medicare policies in greater detail.
- **Simplifying evaluation and management guidelines.** In June 2000, we held a town hall meeting with physicians to discuss a new proposal to simplify the documentation guidelines for physician office visits under Medicare. After the town hall meeting, we sought and

obtained broad input from practicing physicians, including the Practicing Physician Advisory Council, and we continue to refine the guidelines and are preparing to pilot test them later this year. We also sent a letter to more than 800,000 physicians on how to address the most common documentation problems. We also recently implemented a process to do testing of major claims systems changes with providers before those changes are fully implemented to ease their transition to new systems. We want to develop guidelines that make sense to physicians while ensuring accurate payment for their services, and then we make a strong effort to educate physicians about any changes to the payment system.

- **Preventing errors through compliance guidance.** Last summer, we worked with the HHS Inspector General to develop guidance for physicians and providers on how to comply with Medicare policies, and invited public comments on this guidance. Additionally, we are sharing feedback with physicians and providers, both on an individual and community level, about how to correct and prevent the types of errors identified in medical review of claims. This will help to reduce the number of improper claims among the vast majority of physicians and providers who make only honest errors.
- **Creating a Resident Training Program.** We are reaching out to new physicians, making Medicare information available to residents at teaching hospitals and medical schools to introduce them to Medicare and ensure they have an understanding of the program's policies early on in their careers. This program includes an in-person training session, a video, computer-based training course, and a comprehensive training manual.

CONCLUSION

Physicians and other providers play a crucial role in caring for Medicare beneficiaries. We have taken many steps toward improving our physician and provider education efforts and sharing important information so it is easier for physicians and providers to follow Medicare's laws and regulations without having to turn to consultants. We recognize we have a number of issues to address, and we are seeking the health care community's input as we work with our contractors to further enhance our working relationship with physicians, providers, and their staffs, while fulfilling our responsibility to safeguard the Medicare trust fund. I appreciate the opportunity to discuss coding consultants and our provider education efforts with you today, and I am happy to answer your questions.

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