

Medicare to Cover H1N1 Vaccine Administration

BY MARY ELLEN SCHNEIDER

Medicare will cover both the seasonal influenza vaccine and a vaccine against the pandemic influenza A(H1N1) virus, once one becomes available this fall.

In a notice to physicians and other health care providers, officials at the Centers for Medicare and Medicaid Services said that the same billing rules will apply to the pandemic H1N1 vaccine and the seasonal vaccine. However, because the pandemic H1N1 vaccine will be provided at no cost by the government, Medicare will pay providers only for its administration.

The CMS has issued two new billing codes to address H1N1 vaccine this season. Providers can use G9141 for pandemic influenza A(H1N1) immunization administration, including physician counseling of the patient and family. Payment for G9141 will be the same as that for the administration of the seasonal influenza vaccine. The CMS also

has created a billing code, G9142, for the pandemic influenza A(H1N1) vaccine itself. However, that code will not trigger payment. Neither will Medicare pay for an office visit when its sole purpose is administration of either seasonal influenza vaccine or pandemic H1N1 vaccine.

The CMS has notified its carriers to prepare for early claims for the seasonal influenza vaccine. "We understand that such preparations are critical for the upcoming flu season, especially in planning for the influenza [A(H1N1)] vaccine," the CMS wrote online.

Private insurers are also planning to extend coverage to the pandemic H1N1 vaccine. Susan Pisano, a spokeswoman for America's Health Insurance Plans, the leading insurance industry trade group, said that if an insurer typically covers seasonal influenza vaccine, it will probably cover the pandemic H1N1 vaccination in the same way. As the CMS has announced for Medicare, private plans will not reimburse providers for the cost of the pandemic H1N1 vaccine. ■

Don't Wait—HIPAA 5010 Deadline Looming for 2012

BY MARY ELLEN SCHNEIDER

Physicians have a little more than 2 years to complete their transition to new HIPAA X12 standards for submitting administrative transactions electronically, according to Medicare officials.

As of Jan. 1, 2012, physicians and all other entities covered under HIPAA (Health Insurance Portability and Accountability Act) will be required to use the HIPAA X12 version 5010 format when submitting claims, receiving remittances, and sending claim status or eligibility inquiries electronically. The new standard replaces the version 4010A1 currently in use. The change will affect dealings not only with Medicare, but also with all private payers.

The Medicare fee-for-service program will begin its own system testing next year and will begin accepting administrative transactions using the 5010 version as of Jan. 1, 2011. Throughout 2011, the

Centers for Medicare and Medicaid Services will accept both the 5010 and 4010A1 versions. However, beginning on Jan. 1, 2012, only transactions submitted using the 5010 version will be accepted.

During a recent conference call to update providers, CMS officials urged physicians not to wait until the last minute to make the transition to the new format.

The switch is necessary, according to the CMS, because the 4010A1 version is outdated. For example, the industry currently relies heavily on companion guides to implement the standards, which limits their value.

The new version includes some new functions aimed at improving claims processing. But Medicare officials urged physicians to analyze the new version carefully prior to implementation. A comparison of the current and new formats can be viewed online at www.cms.hhs.gov/ElectronicBillingED-ITrans/18_5010D0.asp. ■

INDEX OF ADVERTISERS

Abbott Laboratories		Genentech USA, Inc. and Biogen Idec Inc.	
Humira	46a-46d, 47-49	Rituxan	3-5
Actelion Pharmaceuticals US, Inc.		Pfizer Inc.	
Tracleer	42a-42d, 43	Corporate	16-17
Amgen and Wyeth Pharmaceuticals Inc.		Revatio	31-35
Enbrel	58-60	Rexall Sundown, Inc.	
Bayer HealthCare LLC		Osteo Bi-Flex	15
Citracal	7	Roche Laboratories Inc.	
Centocor Ortho Biotech Inc.		Corporate	27-29
Simponi	18a-18d	Takeda Pharmaceuticals North America, Inc.	
Remicade	37-40	Uloric	13-14
Endo Pharmaceuticals		University of Pittsburgh Medical Center	
OPANA	21-24	Corporate	9
Forest Laboratories, Inc.			
Savella	51-55		



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\$1.3 B Penalty for Bextra Fraud

Pharmacia & Upjohn Co., a subsidiary of Pfizer Inc., has agreed to pay \$1.3 billion in criminal penalties to resolve charges that it illegally promoted the arthritis drug Bextra (valdecoxib) for off-label uses such as general acute pain and surgical pain. The company had originally sought approval from the Food and Drug Administration to market the NSAID at a higher dose for general pain relief, but the agency rejected the application because of safety concerns. The U.S. Attorney's Office charged that from February 2002 until Bextra was removed from the market in April 2005, Pharmacia & Upjohn continued to promote the drug for the unapproved uses without mentioning the FDA's safety concerns. Under a plea agreement, Pharmacia & Upjohn agreed to pay a fine of nearly \$1.2 billion and forfeit an additional \$105 million. In early September, Pfizer agreed to pay \$1 billion plus interest to settle civil claims that it had fraudulently promoted Bextra and three other drugs.

VA Links Bone Loss, POW Status

The federal government has officially recognized a link between being a prisoner of war (POW) and developing osteoporosis. As of August, the Department of Veterans Affairs established a presumption of service connection for osteoporosis among former POWs who were interned for at least 30 days and whose osteoporosis is at least 10% disabling. The VA also established the connection for POWs, regardless of length of imprisonment, who have a diagnosis of posttraumatic stress disorder and osteoporosis that is at least 10% disabling. Creating a presumption of service connection means that these veterans won't have to prove that their condition was caused by their military service in order to receive VA benefits. The VA said that several studies have shown that POWs have suffered serious bone loss because of dietary deficiencies during their imprisonments.

Boomers Ring Up Big Hospital Bills

U.S. hospitals spent nearly \$56 billion caring for baby boomers in 2007, almost as much as they spent on older patients, according to a report from the Agency for Healthcare Research and Quality. The agency reported that baby boomers (adults aged 55-64 years) were similar to adults aged 65-74 years in their lengths of hospital stays, costs, and percentages of elective hospitalizations. Overall, baby boomers had 4.7 million hospitalizations in 2007 and accounted for 16% of the total hospital costs in the United States. Osteoporosis ranked second

on the list, with 6.9 stays per 1,000 patients.

Insurance Premiums Exceed \$13K

The average premium for employer-sponsored health insurance rose again this year, reaching \$13,375 for family coverage and \$4,824 for an individual, according to a survey of employers. Over the past decade, family premiums have risen 131%, outpacing both wages (up 38%) and inflation (up 28%) during the period. The annual survey, released by the Kaiser Family Foundation and the Health Research & Educational Trust, included responses from more than 3,100 firms. About 60% reported offering health benefits to their employees in 2009. But some said they had to cut back because of the poor economy. About 21% of businesses that offer insurance said they reduced benefits this year or increased employee cost sharing. The trend could continue into 2010. About 21% of the firms said they are "very likely" to raise their employees' premium contributions next year, and 16% said they are "very likely" to raise deductibles.

Supplement Maker Fined \$70 M

In a case brought by the Federal Trade Commission, a marketing group that used infomercials to tout calcium and herbal supplements as effective treatments for autoimmune conditions cancer, Parkinson's disease, and heart disease has been ordered to pay about \$70 million in consumer refunds. The U.S. District Court for the District of Massachusetts ruled in 2008 that the companies and individuals had falsely represented the supplements' safety and efficacy. Judge George O'Toole considered financial penalties separately, and has now ordered the restitution in order to strip from the defendants all profits derived from the supplement sales.

MDs Lips Say 'No', Eyes Say 'Yes'

Despite concerns about physicians' willingness to accept new patients from public programs, most U.S. doctors say they're doing so, according to a Center for Studying Health System Change survey. About three-quarters of physicians reported accepting new Medicare patients and more than half took new Medicaid patients. The public programs provided nearly half of physicians' practice revenue in 2008, according to the survey. Other findings: Nearly one-third of physicians work in solo or two-physician practices. And the composition of the physician workforce by sex appears to be changing: Although nearly three-quarters of U.S. physicians were men in 2008, about 41% of those younger than 40 were women, a trend that the center says will continue.

—Mary Ellen Schneider