

# New Five-Step Process for Appealing Medicare Part B Denials Implemented

BY MARY ELLEN SCHNEIDER  
Senior Writer

LAS VEGAS — On Jan. 1, Medicare officials implemented a new five-step process for appealing Medicare Part B claims.

The changes apply to Part B initial claim determinations issued and mailed on or after that date, Edward R. Gaines III, senior vice president for compliance and general counsel at Healthcare Business Resources Inc. of Durham, N.C., said at a meeting on reimbursement sponsored by the American College of Emergency Physicians.

The new process includes some significant procedural differences that could benefit physicians, including an opportunity for an independent review earlier in the process, Mr. Gaines said in an interview. The new process includes these steps:

► **Step 1.** The new process begins with a "redetermination" of the initial claim decision made by the Part B carrier. The redetermination is also made by the Part B carrier but the appeals decision is made by an employee who was not involved in the initial determination. This is the only step in the process that involves the Part B carrier that made the original decision, he said.

Physicians have 120 days from the receipt of the notice of initial determination to file an appeal. Mr. Gaines recommended filing all documentation with the letter requesting a redetermination, including case summaries explaining your code selection. Otherwise, the carrier automatically receives up to 14 addi-

tional days to its 60-day decision deadline.

► **Step 2.** Providers can appeal the redetermination decision in a step called reconsideration. Physicians have 180 days from the date of receipt of the redetermination to file this appeal with the Qualified Independent Contractor (QIC) indicated in the Part B carrier letter.

The redetermination step replaces the old "fair hearing" process. The old process was frequently criticized since the fair hearing officer usually had ties

**The new process includes some significant differences that could benefit physicians, including an opportunity for an earlier independent review.**

to the Part B carrier that made the original decision, Mr. Gaines said.

He recommended submitting all relevant evidence in support of the claim when the notice of reconsideration is submitted because this is a new review and the QIC will not consider what the carrier ruled previously.

QICs are bound by Medicare national coverage decisions, CMS rulings, laws, and federal regulations. But they are not bound by other documents including local coverage decisions, program guidance, or manual instructions, he said. The reconsideration decision is rendered within 60 days under the appeals process.

► **Step 3.** A hearing with an administrative law judge is held in person, by video, or by telephone. Otherwise, the administrative law judge (ALJ) will base his or her decision on the written

record. To have an ALJ review the appeal, submit a written request within 60 days of the reconsideration notice. At this level of the appeal, at least \$110 must be in dispute.

In order to get an in-person hearing, physicians must make that request before the hearing date is set and explain why a telephone or video hearing is not acceptable, Mr. Gaines said. Consider obtaining legal counsel at this point in the process, Mr. Gaines advised.

► **Step 4.** If still not satisfied, a provider may appeal to the Medicare Appeals Council. This must be done within 60 days from the receipt of the ALJ decision.

The Medicare Appeals Council is another addition to the process. Previously, physicians who wanted to appeal a decision beyond the ALJ would have to go to federal district court, and few physicians took that step, Mr. Gaines said.

There is no right to a hearing before the council but physicians can request an oral argument. In addition, parties to the appeal can file briefs.

► **Step 5.** The final appeal is to the federal district court. This must be filed within 60 days of the Medicare Appeals Council decision. The case may be filed in the U.S. District Court where the appealing physician resides. At this step in the process, at least \$1,090 must still be in dispute.

The new process applies only to initial claims determinations issued and mailed on or after Jan. 1, so it will take several months to evaluate how the process works for physicians, Mr. Gaines said. ■

## Defensive Medicine, Liability Insurance Eat 10% of Premium Costs

WASHINGTON — The costs of malpractice insurance and defensive medicine account for about 10 cents of every dollar spent on health care premiums, several speakers said at a press briefing sponsored by America's Health Insurance Plans.

Medical liability and defensive medicine represented the "lion's share" of cost increases in the physician and outpatient areas, Michael Thompson, principal at the New York office of PricewaterhouseCoopers, said at the briefing. Litigation and defensive medicine also accounted for about a third of the costs associated with poor-quality health care, he said, noting that the cost of poor-quality care was spread throughout the health care system.

According to AHIP President Karen Ignagni, efforts must be made to reduce the amount of poor-quality care being given. "We have a system where 45% of what's being done is not best practice," she said.

Overall, the rate of increase in health care premiums was 8.8% in 2004-2005, down significantly from 13.7% in 2001-2002, noted Jack Rodgers, managing director at PricewaterhouseCoopers. One factor contributing to the slowdown was a decrease in the rate of cost increases for prescription drugs, according to Mr. Thompson.

Part of the reason for that decrease is employers' increasing use of three-tiered or four-tiered drug programs, in which patients pay a larger share for brand-name drugs, especially if there are generic equivalents.

Also, cost trends were helped by a drop in the number of state mandates that are being added each year, from 80 in 2000 to less than 40 in 2004, Mr. Thompson said.

Outpatient costs rose significantly last year, Mr. Rodgers said. "Those are the services that are really growing rapidly." The increase in outpatient services accounted for more than a third of the 8.8% increase in premiums.

Despite these problems, Mr. Thompson said in an interview that he did not expect premium increases to go higher next year.

—Joyce Frieden

## CLASSIFIEDS

Also Available at [www.rheumatologynews.com](http://www.rheumatologynews.com)

### PROFESSIONAL OPPORTUNITIES

#### Need Qualified

J-1; H1-B; AT; ABAT

2006/07 Doctors Now!

Elite speed search:

Approved locations & employment contracts

Nationwide Since 1985

Physician Alliance Group

5189 Ridge Heights Street

Las Vegas, Nevada 89148

800.306.1950

[doctor@lvcm.com](mailto:doctor@lvcm.com)

[usmf.net](http://usmf.net)

fx: 702.226.9237

#### Rheumatology Position

Rheumatology position available near major university. Excellent salary/benefits, strong support from administration, established referral pattern. Call John Couvillon: (800) 492-7771 or e-mail [jcouvillon1@phg.com](mailto:jcouvillon1@phg.com)

#### FOR CLASSIFIED RATES AND INFORMATION:

Robin Cryan  
Elsevier-Rheumatology News  
360 Park Avenue  
New York, NY 10010  
(800) 379-8785  
(212) 633-3160  
FAX: (212) 633-3820  
Email ad to: [r.cryan@elsevier.com](mailto:r.cryan@elsevier.com)

#### Indiana Opportunities

Rheumatologists sought for multiple opportunities in central Indiana. Positions offer excellent primary care referral base, competitive salaries and benefit packages, paid relocation and much more. Indiana offers low malpractice coverage and is ranked as the nation's number one "physician friendly" state. Indianapolis supports more than 200 arts organizations, including a world-class symphony, theater, opera, ballet, museums and art galleries. Enjoy a relaxed lifestyle with numerous cultural offerings, change of seasons and outstanding schools. Suburban Health Organization (SHO) is a physician and hospital network serving central Indiana. SHO is comprised of nearly 2000 physicians throughout central Indiana and 8 hospital systems. Please contact Jen Inskeep at 317-692-5222 ext. 279; Fax 317-692-5240 or [employment@suburbanhealth.com](mailto:employment@suburbanhealth.com)

#### Disclaimer

RHEUMATOLOGY NEWS assumes the statements made in classified advertisements are accurate, but cannot investigate the statements and assumes no responsibility or liability concerning their content. The Publisher reserves the right to decline, withdraw, or edit advertisements. Every effort will be made to avoid mistakes, but responsibility cannot be accepted for clerical or printer errors.