Welcome to the third issue of The Leading Edge. With 2011 well underway, this issue highlights the emerging industry standards called 5010, trends in radiology volumes and reimbursement, and much more.

You will also meet some of our employees, including three on the most recent compliance poster, those serving on the Compliance Committee, and the company’s biggest “cheesehead”, otherwise known as the most enthusiastic Green Bay Packer’s fan!

In this issue, we highlight our Lombard operations as part of our series to introduce each office.

Since the last newsletter, we’ve welcomed two new offices to the AHS family: Braintree, Massachusetts and Salem, New Hampshire. That brings us to 7 operations offices with nearly 500 employees! It’s exciting to be part of a growing company since it continues to expand our ability to serve client practices like yours.

Please let us know what topics you would like to see included in future issues of this newsletter: email Bill Gilbert (bgilbert@ahsrcm.com) with your suggestions. Also, note that you will soon be receiving less formal monthly emails from us with industry and payer news: please encourage your colleagues to sign up by sending Bill an email.

David Langsam, President & CEO

AHS has always recognized years of service. A few years ago, the company added to the recognition with shirts that colorfully illustrate the experience of each team member. There are blues, reds, and greens, with each color representing a specific year of service and experience. When Lombard joined AHS, because of Lombard’s long history, new colors were added to represent the extended years of service.

The Lombard team averages nine years of service, with a range from one year to Kathy’s 44 years! Eighteen percent have over twenty years of service with 25% over ten years. The cumulative medical billing experience in Lombard represents over 1100 years of expertise!

AHS PROFILE: LOMBARD

The AHS Lombard office serves clients throughout Chicagoland, Illinois and the Midwest. With over 100 staff members, Lombard is one of the largest AHS locations reflecting its extensive roster of radiology, pathology, anesthesia and multi-specialty clients.

Lombard has a proud history serving hospital-based physicians, dating to 1966 when the office was formed by Kathy Canny. Many of the team members who joined the company as it grew are still hard at work with AHS clients and represent a set of expertise, skills and knowledge that simply cannot be matched elsewhere.

ahsrcm.com
One area where Lombard history and AHS focus overlap is technology. During its growth, Lombard developed and implemented its own IBM-based billing software. So the transition to Virtual Manager has been a natural for the Lombard team and their clients.

The client management team in Lombard includes William Wheeler, Betty Giordano, Deanna Gill, and Christopher Roberts.

For more information about the Lombard office or services offered, please contact Patti Kagebein, Vice President Operations or William Wheeler, Vice President Client Management.

5010 IS COMING!

What is “5010”? Most of us have heard that “5010” is coming. This article will explain the basics about a very important topic. 5010 is sometimes called “HIPAA 5010” and officially known as version 5010 of the HIPAA X12 standards. According to CMS, “The implementation of HIPAA Version 5010 presents substantial changes in the content of the data that providers submit with their claims, as well as the data available to them in response to their electronic inquiries for eligibility or claims status.”

Health plans, health care clearinghouses, health care providers, and billing companies are required to conform to HIPAA 5010 standards. The new standards, formally adopted in October, 2009, must be in place and operational no later than January 1, 2012. During 2011, testing will be taking place, resulting in an overlap period where both “4010” (the current standard) and 5010 transactions must be supported. The AHS IT department is ready for this testing to begin, currently expected to start, with some payers, in the second quarter.

The new standard is required to support the transition to ICD-10 in 2013. The next issue of “The Leading Edge” will have more information about ICD-10, the greatly expanded set of diagnosis codes that will replace the current ICD-9 codes.

For example, 5010 increases the field size for ICD codes from 5 bytes to 7 bytes; adds a one-digit version indicator to the ICD code to indicate Version 9 versus Version 10; and increases the number of diagnosis codes allowed on a claim.

The transaction codes included in 5010 that affect AHS are:

- 837 Claim
- 835 Claim Payment/Advice
- 834 Benefit Enrollment and Maintenance
- 278 Authorization request and response
- 276 / 277 Claim Status Request and response
- 270 / 271 Eligibility Benefit Inquiry and response

There is also a set of 5010 “acknowledgement” responses, including:

- TA1 Interchange Acknowledgment
- X230 Functional Acknowledgment For Health Care Insurance (997)
- X231 Implementation Acknowledgment For Health Care Insurance (999)
- X214 Health Care Claim Acknowledgment (277)
- X824 Acknowledgement Response

Some of the changes in 5010 vs. 4010 include:

- The ability to support new use cases brought forward by the industry
- Clarification of usage to remove ambiguity
- Consistency across transactions
- Support of the NPI regulation; and
- Removal of data content that is no longer used

There is hope that some of the specific items put into the final standard by CMS will improve claims processing. Specifically,

- 277CA X12N will replace proprietary claims acknowledgment. If this works as intended, AHS will receive the same format from commercial payers and CMS.
- Claim Numbers will be generated up-front. AHS will now have the number immediately and can use it to inquire about the claim.
- Paper attachments can be flagged on an electronic claim, preventing a denial for missing information. The attachment must still be sent separately.

AHS clients can be assured that the transition to 5010 will be smooth and not have an impact on their claims or cashflow. The AHS team has been working on 5010 for more than two years and is prepared to implement 5010 as rapidly as payers are ready to do so.
# 2011 COMPLIANCE COMMITTEE

The AHS Compliance Committee represents all AHS locations and specialties. It’s charter is to develop and update AHS policies and procedures that impact compliance. In addition, committee members are the focal point for compliance questions and issues that arise in their office. The 2011 committee members are:

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<tr>
<th>Name</th>
<th>Title</th>
<th>Email</th>
<th>Phone</th>
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<tbody>
<tr>
<td>Shirley Breslin</td>
<td>Manager of Client Education</td>
<td><a href="mailto:shirley.breslin@amsplus.com">shirley.breslin@amsplus.com</a></td>
<td>800.927.0002 x1353</td>
</tr>
<tr>
<td>Jeanne Gilreath</td>
<td>Senior Vice President, Chief Compliance Officer</td>
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<tr>
<td>Lisa Pettengill</td>
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<td><a href="mailto:lisa.pettengill@amsplus.com">lisa.pettengill@amsplus.com</a></td>
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<tr>
<td>Claire Garry</td>
<td>Director Training</td>
<td><a href="mailto:cgarry@ahsrcm.com">cgarry@ahsrcm.com</a></td>
<td>908.279.8111 x8229</td>
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**Jeanne Gilreath** heads the committee in her role as the AHS Compliance Officer.

Jeanne is one of the founders of AHS and has extensive coding and billing experience with a wide variety of specialties. She has held positions in group practice administration, installation services, account management, product management, marketing and sales management.

Ms. Gilreath is a long-time member of the Healthcare Billing and Management Association (HBMA) and currently serves on its board. She also leads its Commercial Payor Relations Committee.

**Shirley Breslin** works closely with the Salem and Braintree Client Managers and routinely provides client training on all aspects of coding and documentation. She also performs audits for clients and has been hired by outside medical groups to audit their coding practices and then educate their physicians and staff on the findings of the audit.

Previously, Shirley was Director of Coding Services and was instrumental in building the Salem and Braintree coding department.

Shirley maintains her nursing license and is a CPC and RCC certified coder. In 2002, she founded the Southern New Hampshire Chapter of Certified Coders.

**Lisa Pettengill** joined Salem operations in 2005 and served as acting Compliance Officer since 2008. She achieved status as a Certified HIPAA Security Specialist in May 2008. This certification validates knowledge and skills in the core areas of HIPAA Administrative Safeguards, Physical Safeguards, Technical Safeguards and Security Technology Fundamentals.

Lisa has been actively involved in many daily aspects of billing. Lisa remains committed to being an available compliance resource for all staff by providing researched support for the many questions that flow up to the compliance committee.

**Claire Garry** brings extensive training background in medical billing, EMRs, and practice management to the IT team in Warren. She has worked with a variety of systems and companies. She has also served as an adjunct teacher at Dover Business College in the Allied Health program for procedure/diagnosis coding, medical transcription and medical billing.

Claire previously worked as a training consultant in medical practice management and prior to that served as training manager for practice and claims management for Horizon BCBS of NJ.

Claire holds a New Jersey teaching certification and is a member of The American Society for Training & Development.
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<tr>
<th>Name</th>
<th>Title</th>
<th>Contact Information</th>
<th>Experience/Role Description</th>
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<tbody>
<tr>
<td>Barbara Lewis</td>
<td>Human Resource Manager, located at the Lombard office.</td>
<td><a href="mailto:blewis@ahsrcm.com">blewis@ahsrcm.com</a></td>
<td>Has over fifteen years of experience in human resources, specifically in the areas of policy and performance measurement. She holds a Professional in Human Resources (PHR) certification and is a member of SHRM (Society of Human Resources Management).</td>
</tr>
<tr>
<td>Bruce Russell</td>
<td>Bookkeeping Manager and Offshore Coordination Supervisor</td>
<td><a href="mailto:brussell@ahsrcm.com">brussell@ahsrcm.com</a></td>
<td>Started in Portland in February 2008 as an A/R team member with no prior medical billing experience. By July of that year he had worked his way into a team leader role primarily focusing on two large OB/Gyn practices. Later he took on the role as the Bookkeeping Manager where he currently oversees bookkeeping, batching, payments and invoicing for the Portland office. Prior to AHS, Bruce spent over 10 years in the restaurant business as a General Manager. During that time he launched and ran two successful restaurants in southern Maine.</td>
</tr>
<tr>
<td>Betty Giordano</td>
<td>Client Manager for the AHS Lombard location.</td>
<td><a href="mailto:begiordano@ahsrcm.com">begiordano@ahsrcm.com</a></td>
<td>Is a Charter Member of the HBMA and holds a CHBME certification. Betty is also active in the Radiology Business Management Association since her RCC certification. She has over 30 years of experience in Anesthesia and Pain Management Billing. Previously, Betty ran her own billing company.</td>
</tr>
<tr>
<td>Chris Walters</td>
<td>Manager of Coding for the Lombard office.</td>
<td><a href="mailto:cwalters@ahsrcm.com">cwalters@ahsrcm.com</a></td>
<td>Has over 23 years experience in coding, as well as 5 years experience in pathology. She holds a CPC certification, and is President elect for 2011 for the AAPC association.</td>
</tr>
<tr>
<td>Nancy Mamis</td>
<td>Manager of Coding</td>
<td><a href="mailto:nancy.mamis@amsplus.com">nancy.mamis@amsplus.com</a></td>
<td>Oversees the Salem coding department, daily batching and coding work flow, coding quality assurance, coding training, and implementation of new electronic coding processes (e.g. Alife). Nancy joined the Salem office after seventeen years with VA Healthcare Services where she did JCAHO preparation, auditing, concurrent inpatient coding, DRG assignments, and quality assurance. Nancy is a Certified Professional Coder (CPC) and is also a Radiology Certified Coder (RCC). Nancy is also active in the Radiology Business Management Association since her RCC certification.</td>
</tr>
<tr>
<td>Sue Ann Zahrt</td>
<td>Manager RNC (Reimbursements and Collections) at the Lombard office.</td>
<td><a href="mailto:szahrt@ahsrcm.com">szahrt@ahsrcm.com</a></td>
<td>Has 25 years experience in the Healthcare Industry, previously as a Practice Manager for Internal Medicine for multiple practices.</td>
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WHEN IS AN OVERPAYMENT A FALSE CLAIM?

WHAT IS A PRACTICE’S OBLIGATION TO REFUND OVERPAYMENTS RECEIVED?

For government payors, recent legislation adds significant penalties (and risk) for refunds not made within 60 days of being identified.

In May 2009, the Fraud Enforcement and Recovery Act, known as FERA, was passed by Congress putting “teeth” into the False Claims Act (passed by Congress in 1863 as a result of unscrupulous contractors during the American Civil War). In modern times, among other applications, the False Claims Act is applied to the failure to timely refund Medicare and other government payor overpayments. FERA increased the false claims liability to include persons who knowingly conceal the retention of any overpayment of government money.

As a participating Medicare provider, it has always been a requirement of the Medicare participation agreement under Section 1866(a)(1)(C) of the Social Security Act (42 U.S.C. § 1395cc) to furnish information about payments made to the provider and to refund any monies paid incorrectly.

Last year’s Patient Protection and Affordable Care Act defined “overpayments” as “any [Medicare or Medicaid] funds that a person receives or retains…to which the person, after applicable reconciliation, is not entitled.”

Healthcare providers are required to report and return any overpayments within 60 days after the date of overpayment is identified with notification in writing to the entity to which the overpayment is returned as to the reason for the overpayment. Failure to return overpayments by the deadline can result in false claim liability. Significant monetary penalties may be imposed if providers do not meet their 60 day obligation to refund overpayments: from $5,500 to $11,000 per claim with treble damages!

WHAT ABOUT A NON-FEDERAL PAYOR?

In short, no overpayments belong to a provider. There are numerous legal opinions, state regulations, and private insurance company policies that support this common-sense view. Where there are questions about how to return the overpayment, it is recommended that a provider review applicable State law to determine how the overpayment should be handled. Most States have escheat laws to address situations where a valid address can no longer be located to return the overpayment.

IN THE NEWS

- Last November, AHS Lombard initiated an internship program, working with a local medical billing and coding college. Two interns were selected, and went through a rotation that included coding, insurance, and account recovery tasks. Since then, AHS Lombard has established a relationship with three other area schools, and has hosted six students, with five additional students scheduled to start at the end of March.

- Interestingly, AHS Lombard received a call in early March from a national accreditation committee. They asked for an expert to be included as part of their accreditation team to review a local college’s medical coding and billing certification program. Javonne Hahn-O’Hara, Coding Supervisor, visited the campus as part of the accreditation team to review the college’s curriculum, facilities and testing. She offered feedback on the program’s ability to prepare a student for real-world applications in a medical billing and coding company, provided insight on the importance of credentials for coders, and offered suggestions for curriculum improvements.

- Relationships with local colleges that offer medical billing and coding programs can benefit AHS in many ways, including the ability to identify and develop talent. In fact, AHS Lombard has welcomed three of the interns as permanent staff members.

CALENDAR

April 27 – New Jersey ASC Review, Somerset (AHS exhibiting)

May 11-13 – New England MGMA Annual Meeting, Boston

May 30 – Memorial Day Holiday (AHS closed)

June 5-8 – RBMA Radiology Summit, New Orleans (AHS exhibiting)

June 9-11 – Annual Orthopedic, Spine and Pain Management-Driven ASC conference, Chicago (AHS presenting)
Everyone has seen the “purple” compliance poster that completed the set of 3 posters spelling out the word “Compliance” with a definition of each letter. But not everyone knows the 3 “famous” AHS employees on the poster, so here they are.

**JACKIE CRISERA**

Jackie works in the Staten Island, NY office as manager of the charge entry department. She has been with AHS since the beginning, having worked in the UPG office as a training coordinator. With a BS in Economics and Business Administration, Jackie started her career working for an investment company. After a few years, she left to be financial director for Doctor’s Hospital since “everyone in my family was in hospital administration, and having volunteered in the healthcare industry from the age of 13 I felt the need to return to it.”

As AHS has grown, Jackie has gotten more involved in compliance activities and served as Compliance Ombudsman for Staten Island for 2009- and 2010.

Jackie is married and has “two beautiful children:” a seven year old son and a five and a half year old daughter.

**BOB BOYCE**

Bob is responsible for the overall technical needs of the Chambersburg office. Plus, as a member of the corporate IT team he is responsible for the daily transmission, processing and distribution of all AHS EDI files. And Bob is a key contributor to the development and ongoing support of Production Edge and its related tools. He welcomes the opportunity to apply his 30-plus years of technical and business experience on a daily basis.

Bob lives just west of Gettysburg and in his spare time, Bob enjoys his four grandchildren and is restoring his old VW Camper—which he plans on taking on a road trip, someday.

**DEBRA ROBERTS**

Debra works in the Lombard, Illinois office as a Denial Analyst. She was hired four years ago as an Administrative Assistant in the Coding Department.

Early in her career, Debra went to her manager and explained that “This is not working for me; the training is slow and I’m bored.” Now she says, “I learned very quickly never to say those words again and I’ve been busy since that day!” Debra is married with two “amazing” children.
ANYONE REMEMBER WHO WON THE SUPERBOWL IN FEBRUARY?

There are plenty of Green Bay Packers fans who remember, including a number at AHS. But none are more enthusiastic than Kelly Rowell, a batcher in the Portland office. In fact, she gets our vote as the biggest Packer fan in AHS!

The photo is Kelly with her son Greg right after the Packers won the Superbowl.

In her own words, Kelly says, "I believe I am the biggest Packers’ fan because, being from Wisconsin, the Packers aren’t just a team; they are a way of life. Sundays are a different kind of holy day during football season in Wisconsin. From the years when fans wore bags over their heads to hide the shame of another losing season to the championship teams bringing the Lombardi trophy home: we were there. Bleeding green and gold isn’t really a choice when you come from a place where priests bless the Packers at Sunday service and entire neighborhoods are deserted at kick off. Let’s face it, you know it’s love when entire stadiums of otherwise responsible adults proudly wear a wedge of foam cheese on their heads in sub-zero temps.

My family moved to Maine almost 15 years ago, yet my 3 children are all die-hard Packers fans. They grew up with stories of how I got to try on Henry Jordan’s Super Bowl ring when I was a kid. All they’ve ever known is that there is only one way to root for the Pack, and that is LOUD!. Sundays meant beer boiled brats on the grill and potato salad, no matter what the weather. If we couldn’t get the game at home, it’s off to the sports bar one and all to catch the game. There was a shrine to Bret Favre on our living room wall for years, created by cutting pictures and stories out of magazines and newspapers. Packer’s ornaments are always on the Christmas tree. My entire family is scattered all over the country now, yet the phone never rings when a Packers game is on, unless someone wants to talk about a lousy call or an amazing pass. The Packers way of life can follow you anywhere you roam.

I guess I know that I am the biggest Packers fan because no matter where I am or what I am doing, there is one name I can be called that will always make me proud; I’m Kelly Rowell, but you can call me Cheese Head.”

DID YOU KNOW?

• AHS processes over two billion dollars in charges for clients!
• AHS matched a portion of each employee’s 2010 401K contribution!
• That AHS has clients in more than 20 states!

CLIENT QUOTES/TESTIMONIALS

“I like to see a lot of information and detail about how our radiology practice is performing. AHS delivers that and more. Their client manager is always available to answer my questions. Even better, he calls me up with new information or when issues arise. AHS and our practice make a great team!”

Anyone remember who won the Superbowl in February?
RADIOLOGY TRENDS

The last issue of our newsletter described the many changes in coding and reimbursement for 2011, most of which are expected to reduce reimbursement for radiology practices. We all know that the changes driving the lower reimbursement (as a result of last year’s Affordable Care Act and the latest Medicare Fee Schedule) are pretty much out of your control and ours. Code bundling, RVU changes and reimbursement rates are in the hands of the government and insurance companies, despite strong efforts by the ACR and others to advocate for the radiology industry.

In addition to the trend of lower reimbursement rates for radiology studies, recent volume trends are having a compounding effect. An analysis of year-over-year trends across all AHS radiology clients shows that 2009, despite a weak economy, had volume and reimbursement increases of 5 to 10 percent. In contrast, 2010 showed procedure volumes and reimbursement declining at 4 to 5 percent. Very early 2011 data indicate a continuing decline in reimbursement, with volume trends hard to discern due to the new combined codes.

According to a recent study conducted by The Moran Company, released February 9 by the Access to Medical Imaging Coalition (AMIC), the volume of advanced imaging services delivered to Medicare beneficiaries decreased in 2009 for the first time in 11 years, potentially signaling the end of the era of rapid growth in medical imaging volume. Their study concluded that advanced imaging volume decreased by 0.1 percent and the amount of overall imaging services declined by 7.1%. (1)

As indicated above, most AHS clients did not see a volume decline in 2009 but did experience a decrease in 2010. These trends represent a “sea change” for radiology practices used to a steady increase in volume; a sudden decrease is not only unfamiliar; it can wreak havoc with compensation models and other pillars of practice operations.

However, there is another way to look at practice volume: it is a factor that may be in your control more than is often realized.

Why have radiology services declined over the last few years and are there ways to improve radiology volume and thereby revenue? Industry trends and AHS’ client experience reveal several questions that should be asked in evaluating your practice.

• Are you the radiology practice of choice for your referring physicians and patients?

• Has your practice lost substantial business by farming out night and weekend call coverage to teleradiology firms – increasing their business and decreasing yours?

• Have other providers in your area, such as cardiologists and surgeons, begun to perform their own patients’ tests in order to streamline and increase their business?

THIS IS THE FIRST IN A SERIES OF ARTICLES TO EXPLORE THESE QUESTIONS.

ARE YOU THE RADIOLOGY PRACTICE OF CHOICE?
Marketing and providing great services to referring physicians.

Everyone knows that radiologists obtain their business from referring physicians and hospitals. The RBMA, in their January/February 2011 newsletter, describes how radiologists should look at their referring physicians as customers and that “your job is to know and understand your customer and what they want, as well as being proactive about fulfilling those needs.” (2)

Whether a practice is hospital-based or an imaging center, there needs to be proactive marketing to the referring physicians in your hospital or area. As an example, at MGH in Boston, the radiology department pays for marketing services specifically to welcome new physicians by greeting them with contact and protocol information, as well as a fleece sweatshirt with the MGH radiology department logo on it. (3)

IN ORDER TO CREATE A GOOD PHYSICIAN RELATIONS PROGRAM, THE RBMA RECOMMENDS:

1) Don’t forget about the physician. Think about and respond to the “physician as a customer” as a strategy.

2) Identify and respond to physician needs and expectations.

3) Become relevant, make an impact and garner referrals.
Along with marketing to referring physicians for new business, you want to be sure you keep your referring base as loyal customers. In fact, loyal referring physicians are your best source for new referrals.

**Referring physicians are looking for radiologists who:**

- Provide quality interpretive reports.
- Are easy to get along with and take the time to educate the physician.
- Provide the radiology service when it is needed, including nights and weekends, and provide results in a timely manner.

The images of radiologists are that “We’re in these dark rooms sending electronic messages everywhere and anywhere,” according to Giles Roland, MD, vice chair of radiology at MGH. He suggests that radiologists become part of the clinical team and build trust and rapport with referring physicians by attending case conferences, meeting with the hospital’s chief of service, and making personal calls to referring physicians on pressing cases.

Dr. Boland also recommends that a practice standardize the format and style of reports among all of the radiologists. If each radiologist dictates their report in different styles, reading them is less efficient. If the referring physician knows where all the information is on the radiology report, it is easier and faster to read, another customer service advantage.

Who are the influential referring physician groups in your area and are they sending their patients to you for imaging services? AHS can provide you the information to assess your referring physician base. With this data, you will be able to determine who has been a loyal referrer in the past and who is a loyal referrer now, so that you know who you need to continue to keep happy and who you need to seek out as a customer.

**IN THE NEXT ISSUE:** the impact of teleradiology, patient-centric radiology, and other specialties performing their own imaging studies. For additional information, please contact your AHS Client Manager.

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4 Ibid.