

TMA'S Health REFORM School

Survive and Thrive in the New Health Care Landscape



Important news
for employed
physicians

Six Things Employed Physicians Need to Know About Health System Reform

Congress has passed and President Obama has signed the Patient Protection and Affordable Care Act to reform the nation's health care system. And while the legal and political wrangling will go on for years, Texas physicians cannot allow the new law to get in the way of what medicine is all about — *caring for patients*.

The new law is immense in size and scope, and many provisions are not yet fully understood. That is why the Texas Medical Association has begun a massive education campaign to help Texas physicians and their practices survive and thrive in this environment. Here are six things about the new health law that every employed physician needs to know.

1. Increased Scrutiny of the Medical Profession

Health system reform increases many burdensome regulatory efforts on top of the already existing scheme of fraud and abuse laws. For instance, the federal government is expanding its national database of physician "adverse actions." The National Practitioner Data Bank and the Health Care Integrity Data Bank are being merged, and the types of activities that must be reported are expanded. Under the new law, "any adverse action" taken against a physician by a state or fraud enforcement agency must be reported and listed. Health plans and hospitals are already required to report adverse actions of certain types.

Physicians should take time to review their operations and compliance programs to ensure they are in compliance with the new laws. TMA has resources available to aid you in this effort.

2. Physician Compare Website

The health system reform law creates a Physician Compare website that will contain information on physicians enrolled in Medicare. The website must be online by January 2011. At first the website likely will have little comparative information but rather will have basic information regarding a physician's specialty and enrollment status.

By 2013, the website must contain physician performance information for the public that compares clinical quality and patient experience measures to the extent that the government develops "scientifically sound" measures. Some form of patient survey likely also will obtain feedback on specific physicians for comparison purposes. Measures to be considered include those developed under the Physician Quality Reporting Initiative, along with measures that will assess patient health outcomes, patients' functional status, and risk-adjusted resource use.

Physicians will have an opportunity to review and correct performance ratings prior to their publication. The law does not spell out exactly what the review process will look like, nor whether physicians will be entitled to a formal review as Texas law requires of such systems.

3. Loan Repayment Program

Pediatric subspecialty physicians with college debt can look forward to relief. The new law establishes a new loan repayment program up to \$35,000 per year, for a maximum of three years. To qualify for the program, physicians must work at least two years in an underserved or medically underserved area.



Physicians Caring for Texans

continued

Effective start dates

March 2010	Increased scrutiny of medical profession
Sept. 2010	Loan repayment program
Jan. 2011	Business tax reporting Physician Compare website
Jan. 2013	Physician performance measures on website
Jan. 2014	Individual mandates to purchase insurance Employer penalties relating to health coverage



Physicians Caring for Texans

4. Disclosure Requirements for W-2 Forms

Employers now have to report the value of tax-excluded health benefits they provide on the employee's W-2 Form. This will help the government determine if the coverage provided is considered a "Cadillac plan," which is subject to taxation.

5. Employer Penalty

If it's unaffordable, you can opt out of your employer's plan and buy your health coverage through an exchange. In 2014, employers with more than 50 full-time employees must report information about the health plan they offer, including the plan's premium, employer contribution, and enrollment of employees and dependents in the offered plans. Employers are subject to penalties if they offer coverage but the coverage is "unaffordable" for some employees. The penalty is up to \$3,000 per employee who uses tax credits to purchase a plan in the exchange.

6. Employees Must Purchase Coverage After 2014

The new law will require employees to purchase — either through their employers, through an exchange, or otherwise — insurance coverage that meets the definition for "minimum essential coverage." That means coverage through a government program (such as Medicaid), an employer plan, a plan offered in the individual market, a "grandfathered" plan, or other health coverage such as a high-risk pool. The law requires those who provide minimum essential health coverage to "file a return reporting their coverage." This is presumably to aid in the enforcement of the individual mandate by informing the Internal Revenue Service (IRS).

For those individuals who do not purchase health coverage after 2014, the IRS will impose a penalty.

- 2014 — the greater of \$95 or 1 percent of income,
- 2015 — the greater of \$325 or 2 percent of income, and
- 2016 — the greater of \$625 or 2.5 percent of income.

After 2016, the penalty will increase by an indexed percentage. However, individuals are not subject to criminal prosecution for failing to timely pay the penalty.

Questions? Turn to TMA for Answers

TMA has a wealth of information posted on our website. We also have webinars, online tools, publications, and live seminars to help you learn more about the new health law. The best part is you can earn continuing medical education credits at the same time.

1. [Practice Consulting Services](#) for help on billing, collections, coding assistance; pre-Recovery Audit Contractor audits; operations assessment; and more. Up to 20 hours of CME approved for operations or billing and collections assessments.
2. ["Evaluating Your Medicare Options"](#) recorded webinar (1 hour CME). Includes discussion of Office of Inspector General work plan; proper documentation/coding; local coverage determinations; and quality issues such as PQRI, e-prescribing, and meaningful use
3. ["Professional Courtesy, Waiving Copays, and Charity Care Requirements"](#) recorded webinar (1 hour CME)
4. ["Red Flag Rules"](#) recorded webinar (1 hour CME)
5. ["Recovery Audit Contractor \(RAC\)"](#) recorded webinar series (1 hr CME)
6. [CAUTION: Six Things to Know About Medicare ACOs](#) (fact sheet)
7. Coming soon: ["Accountable Care Organizations"](#) seminar (3 hours CME)
8. COMING SOON: Risk Management Webinar Series: ["Employed Physicians"](#) (1 hour CME). The session discusses physician employment trends in Texas and the pros and cons of independent vs. employment practice models. [Register Now.](#)

Call the TMA Knowledge Center at (800) 880-7955 for more information, or go to texmed.org/hsr for a complete list of resources available for you and your staff.

Please note: The new law is very complex and will be considerably influenced by the many regulations that must be adopted under its provisions. Further, the law may be amended over time. This document is intended as a summary only. To read the act in its entirety, go to www.texmed.org/hsr (June 2010).