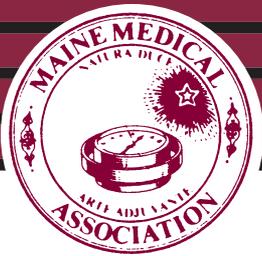


Maine medicine



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Oasis Free Clinic, Brunswick, Winner of the '05 Mary Floyd Cushman Award (Domestic)

At the MMA Annual Meeting in September 2005, the Mary Floyd Cushman, M.D. Award for Exceptional Humanitarian Service was given to both International and Domestic recipients. The annual \$1000 award was divided between two recipients. This was the first time that the award recognized both international and domestic efforts.

The domestic award was presented to Dr. Peter McGuire of Brunswick for his 13 years of leadership of the Oasis Health Center –“A Free Clinic”. It has been variously accommodated over the years but since 2004 has been located in office space donated by Mid Coast Hospital.

In 1992, Dr. McGuire started the Oasis Health Center as Oasis Healthcare for the Homeless in the Tedford-Oasis Shelter in Brunswick. With previously homeless patients showing up at the clinic looking for medical help, the demand grew so quickly that in two years the center split off from the Tedford-Oasis Homeless Program and formed its own corporation, Oasis Health Network Inc. The Board defined the mission of Oasis “ to provide free, quality health care with dignity, confidentiality, respect and equal access to uninsured persons of limited means in the Freeport, Brunswick and Sagadahoc County area.” Because of its history, Oasis will always be devoted to medical care of the homeless.

What began as an every Tuesday night Adult Acute Care Clinic, Oasis has added monthly specialty clinics in complex care (2), depression (2), diabetes and hypertension/hyperlipidemia. In addition, specialists in neurology and one in urology do clinics as needed. Twice a year there are Annual Clinics for Women's Preventive Care. Experimenting with new methods of delivery, Oasis has had exciting success with team-based care, use of nurse care managers and group visits.

Networks of medical and surgical specialists, optometrists and chiropractors have been established throughout the service area and will see Oasis patients for free. Mid Coast and Parkview Hospitals provide free laboratory and x-ray services. The volunteerism by specialists has been remarkable and sustained. Primary care practitioner volunteerism has fallen off over the last 4 years and more is needed.

In 2004, Oasis had 990 patient visits to its clinics. The operations are financed totally through private donations generated through an annual appeal, local church donations and United Way. Operating on a budget of \$50,000 a year, over \$300,000 in medical care *continued on page 3*



President Muttu presents Mary Cushman Humanitarian Award (Domestic) to Peter McGuire, M.D.

Jana Purrell, CPC, Named Director of Tri-State Coding Center

Jana Purrell, CPC, of Harpswell has been named the Director of The Tri-State Coding Center, effective Jan. 1, 2006. MMA wishes the departing Director, Laurie Desjardins, all the best as she moves to Baker Newman and Noyes. Jana Purrell, CPC, has served in the position of Coding and Reimbursement Specialist for the Center for the past two and one-half years. She has over twenty years experience in medical offices, management companies, hospital and emergency medicine settings, including both clinical and administrative roles. Prior to joining the Coding Center, Jana worked for Maine Cardiology Associates for eleven years in the role of Business Office Manager. She has also worked for Medical Management of NE as a practice billing consultant and was an office manager for a specialty practice. She received her Certified Professional Coder Certification in 1999, and her CPC Instructor Certification in 2001.

On January 1, 2006, Laurie Desjardins joined Baker, Newman and Noyes, a major regional CPA firm with offices in Portland, Maine and Manchester, N.H. She will work in the healthcare manage-



continued on page 3

save THE Date

MMA

Third Annual Charitable Golf Tournament

Monday, June 19, 2006
Call MMA at 622-3374 for details!



Jacob Gerritsen, M.D.,
President, MMA

President's Corner

The MMA Executive Committee met in Boston January 13-15 for its annual "President's Winter Retreat," although it felt like spring with a high temperature of 63 degrees on the day members arrived.

We took advantage of the wealth of talent available in the Boston area and heard presentations from representatives from the Center for Medicaid and Medicare Services (CMS) and the Massachusetts Medical Society (MMS).

Highlights included presentations by William Taylor, M.D., Associate Regional Administrator for CMS, Division of Quality, on the subjects of the CMS Physician Voluntary Reporting Program and selected CMS Demonstration Programs. James Bryant, J.D., Associate Regional Administrator of Financial Management for CMS, also made a presentation on the subject of Pay for Performance and the current Medicare fee schedule/sustainable growth rate formula.

The good news is that CMS is assuming that the restoration of the 4.4% cut in reimbursement will have happened by the time you read this and the freeze at 2005 levels will be in effect. Of course, next year we will go through the same fight all over again, as the Medicare payment formula based on the sustainable growth rate is flawed in the sense that our nation's physicians are being punished because of the rapid increase in costs of the Medicare Program, many aspects of which are beyond the physicians control (the rapid aging of the population; availability and use of better diagnostic imaging modalities, more use of tests, more expensive drugs, etc, etc).

A highlight of the weekend was a presentation by two friends of the MMA in the Massachusetts Medical Society: Elaine Kirshenbaum, Vice President of Policy, Planning and Member Services, and Jack Evjy, M.D. Chair of the Task Force on Universal Access and former President of the MMS.

The MMS has been engaged since 2003 in a process of reviewing global coverage options and issues regarding the uninsured and has come up with a comprehensive set of guidelines and recommendations. The Massachusetts House and Senate are currently in conference trying to reconcile their own respective bills on the subject of expanding coverage, so this presentation was very timely. Please email me if you would like a copy of the MMS powerpoint presentation.

Our MMA has reactivated the ad-hoc Committee on Health System Reform and the presentations by the MMS will be very useful for our future deliberations. The goal of the Committee is to review the White Paper on Health System Reform which MMA released in May 2003.

Dr. Flanigan led a discussion on updating our strategic plan, which led to a vigorous discussion on the difficulties of doing all we do and at the same time, trying to balance the budget. Finally, a presentation was made by myself on MMA Member Demographics, with the help of Heidi Lukas of the MMA staff. For the first time ever, we now have data on who our members are, broken down by sex, county, age and specialty, vis-à-vis the non-members in the state. Let me know if you would like a summary emailed to you and as always, if you have questions on any matter, please email me at: jacobg@adelphia.net or call me at 207-236-6070.

MMA wants to hear from you!

Issues or concerns you would like to see addressed by the MMA:

Please provide your name and telephone number or e-mail address so that we may contact you if clarification or further information is needed.

Name: _____

Telephone: _____

E-mail: _____

Return to MMA via fax at 207-622-3332. Thank you!

Upcoming Specialty Society Meetings

Maine Association of Psychiatric Physicians Meeting of Executive Committee and Committee Chairs

FEBRUARY 16, 2006, MARCH 30, 2006, APRIL 20, 2006

Dinner at 5:30pm and meetings start at 6:00pm.

Maine Medical Association - Manchester, ME

MMA Contact: Warene Eldridge 207-622-7743 or weldridge@mainemed.com

FEBRUARY 2 - 5, 2006

Grand Summit Hotel - Sugarloaf/USA

Maine Urological Association Meeting

MMA Contact: Warene Eldridge or Gail Begin at 207-622-3374 Ext: 227 or 210 or weldridge@mainemed.com or gbegin@mainemed.com

FEBRUARY 9, 2006

Sugarloaf/USA

Maine Society of Orthopedic Surgeons Winter Business Meeting 6:00pm

MMA Contact: Lauren Mier at 207-622-3374 Ext: 223 or lmier@mainemed.com

FEBRUARY 11 - 12, 2006

Sugarloaf/USA

Maine Society of Anesthesiologists Meeting

MMA Contact: Anna Bragdon at 207-441-5989 or msainfo@adelphia.net

MARCH 3 - 5, 2006

Grand Summit Hotel - Sugarloaf/USA

Maine Radiological Society Meeting

MMA Contact: Warene Eldridge at 207-622-3374 Ext: 227 or weldridge@mainemed.com

MARCH 3 - 5, 2006

Grand Summit Hotel - Sugarloaf/USA

Maine Section, ACOG

MMA Contact: Buell Miller, MD at 207-622-3374 Ext: 228 or bmiller@mainemed.com

MARCH 8, 2006

Location TBA

Maine Chapter of the American College of Emergency Physicians

Business & Dinner Meeting 6:00pm - 9:00pm

Contact: Anna Bragdon at 207-441-5989 or maineacep@adelphia.net

MARCH 10 - 12, 2006

Grand Summit Hotel - Sunday River, ME

Maine Gastroenterology Society Winter Meeting

MMA Contact: Gail Begin at 207-622-3374 Ext: 210 or gbegin@mainemed.com

MARCH 17 - 19, 2006

Sugarloaf/USA

Maine Society of Otolaryngology Winter Meeting

Contact: Leslie Rankin at 207-351-3525

MAY 5, 2006

Harraseeket Inn - Freeport, ME

Maine Society of Eye Physicians and Surgeons Spring Meeting

MMA Contact: Shirley Goggin at 207-445-2260 or sgoggin@mainemed.com

MAY 6, 2006

Harraseeket Inn, Freeport, ME

Topics in Gastroenterology for Primary Care

MMA Contact: Gail Begin at 207-622-3374 Ext: 210 or gbegin@mainemed.com

MAY 6-7, 2006

Samoset Resort, Rockport, ME

Maine Chapter, American Academy of Pediatrics Spring Conference:

Pediatric Potpourri

Contact: Aubrie Entwood at 207-685-9358 or agridleyentwood@aap.net

JUNE 2 - 4, 2006

Asticou Inn, Northeast Harbor, ME

Maine Chapter, American College of Surgeons Meeting

Contact: Joel LaFleur, M.D. at 207-596-6636 or jlafleur@penbaysurgery.com

Thank You

A special thank you to the following physicians who served as volunteers on a prelitigation screening panel during the latter half of 2005.

Sanjay Agrawal, MD Hugh McGowen, MD Daniel Reinke, MD

Anne Cohen, MD Marc Golden, DO Ken Simone, DO



Executive Vice President Report

By the time you receive this issue of *Maine Medicine*, the Medicare payment reduction of 4.4%, which was implemented January 1, 2006, will hopefully be restored. As of the date I am writing this, there is every expectation that the House will vote on the Senate package February 1 and that the President sign the Budget Reconciliation Act into law. CMS has indicated to the AMA and other interested parties that the restoring legislation will apply retroactively to January 1, 2006 and that it will not be necessary for physicians to hold claims or resubmit them to receive the corrected amount.

While the above action is "expected" to occur, nothing is certain in Washington in an election year. MMA has written to the Maine Congressional delegation, asking that they be proactive in fixing the sustainable growth rate (SGR) formula which is causing the yearly fee reduction, and we have urged every Maine physician to do likewise.

MMA's efforts on the Medicare fee cut is but one example of why Maine physicians continue to support MMA by remaining members, i.e., Advocacy. Survey after survey has shown that advocacy is the single greatest benefit physicians receive from MMA. While many physicians rely upon MMA for some of their CME needs, practice support, coding education, legal advice and referrals for essential goods and services (office supplies, collection services, telephone needs, prescription pads, merchant banking, liability insurance, travel services, etc., through more than 80 corporate affiliates), nonetheless, it is our day-to-day work in Augusta at the legislature, before the regulatory agencies and in Washington (in partnership with the AMA and national specialty societies) that members say they appreciate the most.

As we begin another legislative session, I encourage you to communicate with myself or Andrew MacLean (amaclean@mainemed.com), should you have any questions or input for our advocacy efforts. MMA will be there representing you, as it has for 153 years. Members are also welcome to serve as "Physician of the Day" at the Legislature, attend meetings of the Legislative Committee, and participate in our weekly legislative conference calls (Wednesday nights at 7:00pm). Mr. MacLean's weekly "Political Pulse" will be emailed to interested members each Friday. Contact Mr. MacLean or Charyl Smith (csmith@mainemed.com) to participate in any of these advocacy activities.



Gordon H. Smith, Esq.
gsmith@mainemed.com

UPCOMING AT MMA

FEBRUARY 14, 2006
8:30am – 1:00pm
Physician Practice Management Forum

FEBRUARY 16, 2006
9:00am – 4:00pm
Home Care Alliance

5:00pm – 9:00pm
Maine Association of Psychiatric Physicians

FEBRUARY 23, 2006
8:00am – Noon
Coding Program

MARCH 1, 2006
12:30pm
MMA Steering Committee

2:00pm
MMA Executive Committee

MARCH 7, 2006
6:00pm – 9:00pm
MMA Legislative Committee

MARCH 8, 2006
6:00pm – 8:00pm
Maine Foot and Ankle Society

MARCH 16, 2006
9:30am – 4:00pm
Home Care Alliance

MARCH 21, 2006
8:00am – 4:00pm
APIC/Pine Tree Chapter

MARCH 29, 2006
4:00pm – 6:00pm
Public Health Committee



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Made possible by Maine Physician Health Program

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Jana Purrell...continued from page 1

ment consulting division of the firm, which provides services throughout the Tri-state region.

"For the past five years, Laurie Desjardins has dedicated herself to creating a viable organization offering much needed educational and hands-on coding and reimbursement information and services to physicians and their staff," said Gordon Smith, Executive Vice President of the Maine Medical Association. "While we are sorry to lose her from the Center, we wish her well in her new position," he added. "We are delighted to have Jana Purrell assume the Director's position and have every confidence that the Coding Center will be able to continue to provide the high level of service that members have come to expect," noted Smith.

The Tri-State Coding Center will continue to operate under the leadership of Ms. Purrell. She can continue to be reached at 1-888-889-6597, or visit the Center online at www.thecodingcenter.org.

Oasis...continued from page 1

and in-kind service is provided yearly – a 6:1 return on investment. Since its inception over \$1 mil in free medical services have been provided in the Center. This does not include free care so willingly and generously given by specialists in their offices and in hospitals.

Oasis provides its patients with free medications from its in-house pharmacy. For several years, Oasis has had a Prescription Assistance Program that obtains free medications for patients directly from pharmaceutical companies. In July of 2005, Oasis opened this program to physician practices in the area. This program will generate over \$500,000 in free medications a year.

In January 2006, an Oasis Dental Center – "a free dental clinic" – will open in Bath, Maine through a partnership with the Merrymeeting Bay Dental Society, Catholic Charities of Maine and the Jesse Albert Memorial Dental Clinic. Initially the Center will be open every other Wednesday evening for three hours and be staffed by two volunteer dentists, each with a dental assistant. The demand for adult acute dental care among the poor is so high in the area, it is anticipated that the center will soon be open on a weekly basis.

Our hearty congratulations to Dr. McGuire and the physician volunteers in the Bath-Brunswick area, who since 1992 have provided superb and dignified, free health care to thousands of medically indigent Mainers. For generosity of spirit and for persistence in overcoming innumerable obstacles in order to provide that care, Peter McGuire, M.D. stands as a shining example to all his colleagues, and reflects great credit upon the medical profession.

Classified Ads

Neurologists Wanted:

Neurology Associates of Eastern Maine, P.A., located in Bangor, Maine, is seeking BC/BE Neurologists with fellowship training. Ongoing professional development and education are an emphasis of the group. We offer a professionally rewarding practice and an excellent environment in which to raise a family.

For more information, write or call:

Stephanie R. Lash, M.D.
498 Essex Street, Bangor, ME 04401
Phone: 207-947-0558
e-mail: slash@neuroassoc.net

If you would like to place a classified ad in the MMA *Maine Medicine* publication, contact Shirley Goggin at 207-445-2260 or email her at sgoggin@mainemed.com for details.



Jana Purrell, CPC



We all know that when the leaves fall off the trees, it means fall is here. When the days start getting shorter, it must be winter. Well, the sign that indicates a new year in healthcare is here is the Office of the Inspector General's work plan!!! That's right the 2006 OIG workplan has been released. We will focus on the portions related to physicians but remember there are other plan elements you may want to review.

What is interesting (if you can call it that) about this year's plan in relation to the physicians is actually what is NOT in the plan. For the first time, we see no direct references to Evaluation and Management services. Also believe it or not, no mention of modifiers -25 or -59 this year!

There are two new areas being watched—

Payment to Providers of Care for Initial Preventive Physical Examination

Effective January 1, 2005, coverage is allowed under Medicare Part B for an initial preventive physical examination (IPPE), including a screening electrocardiogram (EKG) for new Medicare beneficiaries. In addition to the screening EKG, the IPPE must include a measurement of height, weight, blood pressure, a review of medical and social history, assessment of the potential for depression, and evaluation of functioning ability. This physical is being billed under HCPCs code G0344. The OIG will evaluate the impact of IPPE on Medicare payments and physician billing practices.

Potential Duplicate Physical Therapy Claims

This includes an assessment of CMS's ability to identify and prevent payment for potential duplicate claims for physical therapy submitted by providers. In May 2004, CMS issued a fraud alert regarding physical therapy suppliers switching their submission of claims between Part A and Part B. The OIG will review the current Common Working File operations to determine whether edits are adequately identifying potential duplicate physical therapy claims submitted to Part A and Part B contractors.

The following areas of interest have gone away—

- Physician services at nursing facilities
- Coding of Evaluation and Management services
- Use of Modifier 25
- Modifiers being used with National Correct Coding Initiative (NCCI) edits
- Provider-based entities

While these items are no longer appearing on the watch list, that doesn't mean they should not be areas of concern. They remain high-dollar and/or high volume items to the Medicare system and therefore may reappear.

The areas listed below remain from the 2005 work plan and are still areas of interest—

“Long Distance” Physician Claims Medicare B claims for face-to-face physician encounters when the practice setting and the patient's location are separated by a significant distance will be reviewed to confirm that services were provided and accurately reported.

Care Plan Oversight Is Medicare B reimbursing appropriately for claims submitted by physicians for care plan oversight? Under the Medicare rules for home health and hospice, care plan oversight is the physician supervision of patients who need complex or multidisciplinary care requiring ongoing physician involvement.

Billing Service Companies What is the relationship between the billing company and the physicians and any other Medicare providers who use their services and how does the arrangement impact the physicians' billing?

Medicare Payments to VA Physicians The OIG will look at the legitimacy of Medicare paying for services billed by physicians who receive reimbursement from the Department of Veterans Affairs (VA) for the time that the physician reports as being on duty at the VA hospital. Physicians who are employed by the VA are not allowed to bill Medicare for services provided at other hospitals during the times they are “on duty” at the VA hospital.

Ordering Physicians Excluded From Medicare Physicians that have been excluded from Federal health care programs including Medicare B are also not allowed to order services for Medicare B patients. The OIG did a recent review which showed a large number of services are still being ordered by these physicians.

Physician Pathology Services The focus will be on pathology services performed in the physician office. Pathology includes the examination of cells or tissue samples by a physician who then prepares a report of their findings. The OIG will be looking at the relationship between the physician who furnishes the pathology service in their office and outside pathology companies.

Cardiography and Echocardiography Services Did the physician bill appropriately for the professional and technical components of the service? If the physician is performing the interpretation only, the modifier 26 (or interpretation only code) should be used to bill Medicare Part B.

Physical and Occupational Therapy Services According to Medicare, physical and occupational therapies are medically prescribed treatments used for improving or restoring functions, preventing further disability, and relieving symptoms. Medicare claims for therapy services will be reviewed to determine if the services were reasonable and medically necessary, documented appropriately, and certified by physician certification statements.

Part B Mental Health Services Payments for mental health services provided in the physicians' office setting accounted for 55% of all reimbursement for Part B mental health services in 2002. The OIG will determine if those services provided in the physicians' office setting were medically necessary and billed according to Medicare requirements.

Wound Care Services Due to a dramatic increase in the amount Medicare allowed for certain wound care services between 1998 and 2002, claims for wound care will be reviewed for medical necessity and to see if they were billed correctly.

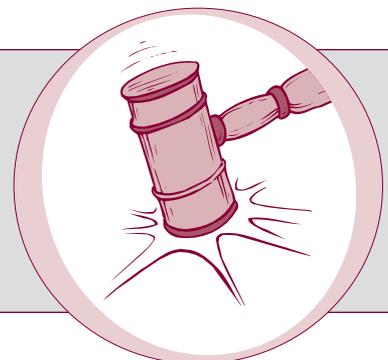
Again, I have mentioned just the areas directly related to Medicare Physician services. There are many other sections to the work plan including Medicare Hospitals, Home Health, Nursing Homes, Hospice, Medical Equipment and Supplies, Drug Reimbursement, Part D Administration, Other Medicare Services (i.e. lab, ambulance, preventive services), and Medicare Managed Care. There are also sections related to Medicaid programs. You may want to read (or at least scan) the entire plan since there may be areas that could impact your practice that are not directly listed under the Physician section.

You can find the entire plan at:
<http://www.oig.hhs.gov/publications/docs/workplan/2006/WorkPlanFY2006.pdf>

Reminder on Medicare National Provider Identifier

Physicians are required by federal law to apply for a National Provider Identifier (NPI). This requirement does not fully go into effect until 2007. However, physicians may apply for an NPI at this time if they wish.

In addition, the Centers for Medicare and Medicaid Services has a new web site dedicated to providing all the latest NPI news for fee-for-service Medicare physicians. For additional information, visit <http://www.cms.hhs.gov/NationalProvIdentStand/> or, to apply online, go to <https://nppes.cms.hhs.gov>.



Roth 401(k) Offers Additional Wealth Planning Options

Provided by RBC Dain Rauscher and Edward J. Donohue

The complex rules that govern the world of qualified retirement plans are ever changing. Fortunately, most of these changes tend to provide a benefit to plan sponsors and investors.

In an effort to allow 401(k) plan participants more flexibility in saving for retirement, a new employer-sponsored retirement vehicle is set to debut in early 2006. It's called the Roth 401(k) and, as it sounds, combines the features of the traditional 401(k) with some of the benefits of the Roth IRA. Based on the recently issued final regulations, some of the details of the new Roth 401(k) include:

Roth 401(k) contributions are made with after-tax dollars. Currently, salary deferral 401(k) contributions are made on a pre-tax basis, reducing the participant's taxable income. Meanwhile, Roth 401(k) contributions are made on an after-tax basis and will not reduce a participant's taxable income.

There are no income limitations regarding who is eligible to contribute. Unlike the Roth IRA, which is available only to individuals earning less than \$110,000 individually or \$160,000 as a couple, the Roth 401(k) is available to anyone eligible to contribute to a 401(k).

The salary deferral election is flexible. 401(k) plan participants can elect to treat all, a portion, or none of their salary deferral contributions to the Roth 401(k). However, the total contribution amount – Roth or 401(k) – cannot exceed \$15,000 for 2006. An additional \$5,000 catch-up is also available for individuals over the age of 50.

Investment earnings grow tax-free. Treatment of earnings within a Roth 401(k) is similar to that of the Roth IRA. Earnings in the account grow tax-free provided that certain age and holding period requirements are met.

Roth 401(k) balances may be rolled into a Roth IRA. One problem facing most physicians in retirement is the lack of flexibility in distribution planning. The IRS dictates how much a participant must withdraw from qualified retirement plans and IRAs upon reaching age 70½. Roth IRA balances are not subject to these minimum distribution rules. This allows for much more flexibility in distribution planning than most physicians are accustomed to.

With the introduction of the Roth 401(k), many employers will likely weigh the benefits of offering this new plan to their employees. If adopted by your company, you should closely evaluate the options available and assess how your decisions today will impact you now, and also in retirement.

This article is provided by Edward J. Donohue (207-775-2990, ed.donohue@rbcdain.com), a financial consultant at RBC Dain Rauscher in Portland, Maine, and was prepared by or in cooperation with RBC Dain Rauscher. The information included in this article is not intended to be used as the primary basis for making investment decisions nor should it be construed as a recommendation to buy or sell any specific security. Consult your investment professional for additional information and guidance. RBC Dain Rauscher does not provide tax or legal advice.

This summary article is designed for informational purposes only, based on RBC Dain Rauscher's current understanding of applicable tax laws and/or IRS guidance in effect at the time of publication. Additional guidance from the IRS will be needed.

Brochure Helps Patients Cope with Diagnosis

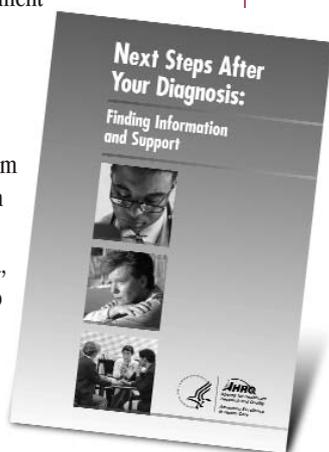
Help your patients cope with a diagnosis of almost any disease or condition with a free publication from the Agency for Healthcare Research and Quality (AHRQ).

"Next Steps After Your Diagnosis" discusses five steps patients can take to learn more about their conditions and treatment options. The brochure encourages patients to:

- Take time making decisions
- Look for support
- Communicate with the doctor
- Seek information about the health problem
- Work with the doctor on a treatment plan

AHRQ Director Carolyn M. Clancy, MD, said, "The purpose of this brochure is to help patients find resources they need to participate as active partners in their own health care."

Find the brochure online at <http://www.ahrq.gov/consumer/diaginfo.htm> or call 800-358-9295.



Check Your ZIP code online for bonus payments from CMS

The Center for Medicare & Medicaid Services (CMS) ZIP code list for Health Professional Shortage Area (HPSA) designation is available online. You can visit the CMS website to determine if you are eligible for a HPSA bonus payment of 10 percent or a Professional Shortage Area (PSA) bonus of 5 percent on 2006 Medicare claims.

If your ZIP code appears on the CMS list, you automatically are eligible for the bonus amount if you provide care in a HPSA- and/or PSA-designated geographic location.

To learn more about HPSA/PSA bonus payments, go to <http://new.cms.hhs.gov/HPSAPSAPhysicianBonuses/>.

For the ZIP code list, go to www.cms.hhs.gov/HPSAPSAPhysicianBonuses/; scroll to the "Downloads" section and click on 2006 Primary Care HPSA [ZIP 128KB].

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Information in this newsletter is intended to provide information and guidance, not legal advice. Since exact language and definitions of key terms are critical to understanding the requirements of legislation, rules or laws, we encourage you to read each carefully. Articles submitted to [Maine Medicine](#) represent the views of the author only and do not necessarily represent MMA policy.



Andrew MacLean, Esq.

LEGISLATIVE UPDATE

122nd Maine Legislature Begins Second Regular Session

The 151 members of the 122nd Legislature reconvened at the State House in Augusta for their Second Regular Session on Wednesday, January 4, 2006 and they are expected to complete their work by early to mid-April.

The Legislature's agenda will include a supplemental budget, bills carried over from the first session in 2005, and new bills admitted for consideration during the second session by majority vote of the 10 members of the legislative leadership. Because the two legislative chambers are so narrowly divided politically and because it is an election year, the Dirigo Health Program will be a lively part of the health care debate, particularly the funding mechanism known as the "savings offset payment" or SOP.

During the first session in 2005, the Legislature resolved the four bills submitted by the MMA Legislative Committee for consideration by the 122nd Legislature. With your help, the MMA accomplished something with each of these proposals:

- **MaineCare Reimbursement Rates.** The clearest win of the last session for the MMA and organized medicine generally is the \$3 million General Fund increase in MaineCare reimbursement rates in the "Part I" biennial budget for 2006-2007 (L.D. 468). With the federal match, this initiative will infuse between \$8 and \$9 million in the physician fee schedule. This increase of 10-15% will bring Maine's rates up from approximately 40% of Medicare rates to approximately 53% of Medicare rates.
- **Medical Liability Reform.** While the MMA and its allies in the *Coalition for Health Care Access & Liability Reform* were unable to find the votes to pass a cap on non-economic damages in medical negligence actions, the group did succeed in enacting "I'm sorry" legislation (L.D. 1378), a provision the Bureau of Insurance estimates could save between 3.5% and 5.9% in total claim costs. The Coalition continues to work on a plan to improve the medical liability climate in Maine.
- **Fairness in the CON program.** With the agreement of the MHA, the MMA and the Maine Ambulatory Surgical Center Coalition extended the sunset from 2007 to 2008 on the provision of the Capital Investment Fund statute setting aside 12.5% for non-hospital projects (L.D. 742). Many physicians believe this provision is critical to ensuring that non-hospital projects receive fair consideration in the CON review process.
- **Access to Medically-Necessary Breast Reduction and Varicose Vein Surgery.** With the help of Plastic & Hand Surgical Associates and the American Society of Plastic Surgeons, the MMA responded to a move by CIGNA to eliminate coverage for these services by enacting legislation to require health insurance carriers to offer coverage for these services through a policy rider (L.D. 596).

The MMA also is pleased to have worked through the Maine Coalition on Smoking OR Health to double Maine's cigarette excise tax from \$1 per pack to \$2 per pack.

The MMA again will be actively engaged in the debate of health care issues in the Second Regular Session. In mid-January, two bills carried over from the first session by the Health & Human Services Committee and supported by the MMA are making their way through the legislative process in the House and Senate. L.D. 1631, *Resolve, Requiring the State to Reimburse Providers for Costs Incurred Due to MaineCare Reimbursement Delays* (Rep.

Kaelin, R-Winterport), a unanimous "ought to pass as amended" report from the HHS Committee, is poised to pass without debate. The MMA anticipates that the Governor's supplemental budget will include approximately \$4 million for this initiative.

L.D. 1420, *An Act to Establish a Maternal and Infant Death Review Panel*, a 10-3 "ought to pass as amended" report from the HHS Committee, failed 65-78 in an initial vote in the House but passed without debate in the Senate. DHHS representatives Dora Ann Mills, M.D., M.P.H., Richard Aronson, M.D., M.P.H., ACOG, Maine Section President Jay Naliboff, M.D., AAP, Maine Chapter President Don Burgess, M.D., and other interested physicians are working hard to persuade House members to support this worthy public health initiative.

At a meeting on January 10, 2006, the MMA Legislative Committee reviewed 51 new bills of interest to Maine physicians. While the Governor can submit legislation at any time during the session and the legislative leadership can admit "after deadline" bills by majority vote, this list likely represents most of the new health care bills the Legislature will consider this session. The following bills are highlights from that list:

- **Medicare Part D:** L.D. 1848, *An Act to Maintain Prescription Drug Benefits for Senior Citizens and People with Disabilities* (Rep. Pingree, D-North Haven) (MMA monitors) and L.D. 1959, *An Act to Guarantee Access to Medically Necessary Medications During the Implementation of the Medicare Part D Prescription Drug Program* (Sen. Brennan, D-Cumberland) (MMA supports).
- **Health care reform/Dirigo:** L.D. 1927, *An Act to Prevent State Taxpayers from Subsidizing Large Employers* (Sen. Edmonds, D-Cumberland) (MMA supports), L.D. 1935, *An Act to Protect Health Insurance Consumers* (Sen. Martin, D-Aroostook) (MMA monitors), and L.D. 1945, *An Act to Establish a High-Risk Health Insurance Pool* (Rep. Tardy, R-Newport) (MMA monitors). L.D. 1927 seeks data on the number of employees of large companies such as Wal-Mart who receive MaineCare benefits. L.D. 1935 would prohibit health insurance carriers from passing on the cost of the "savings offset payment" to health insurance purchasers.
- **Thimerosal:** L.D. 1947, *An Act to Protect Children from the Onset of Autism* (Rep. Lerman, D-Augusta) (MMA opposes). L.D. 1947 would prohibit the use of vaccines containing thimerosal in Maine.
- **Smoking in Private Clubs:** L.D. 1901, *An Act to Amend the Law Regarding Smoking in Private Clubs* (Rep. Grose, D-Woolwich) (MMA opposes) and L.D. 1926, *An Act to Clarify the Workplace Smoking Laws* (Sen. Turner, R-Cumberland) (MMA supports). L.D. 1901 would weaken a law enacted last session (L.D. 886, P.L. 2005, Chapter 338) to require private clubs, such as the veterans' organizations or the Elks, to conduct a vote of the membership to permit smoking. L.D. 1926 would eliminate the exception created in P.L. 2005, Chapter 338 and prohibit smoking in all public places and workplaces.

You can view the text of these bills or check their status on the web at: <http://janus.state.me.us/legis/LawMakerWeb/search.asp>.

During the legislative session, the MMA publishes a weekly e-mail legislative update called *Political Pulse*. To subscribe, go to www.mainemed.com and visit the Legislative & Regulatory Advocacy section of the site. You will find more information about the 122nd Maine Legislature, including schedules, committee assignments, legislator contact information, and audio coverage of legislative work, on the web at: <http://janus.state.me.us/legis/>. The MMA's Interim Summary of Health Care Legislation from the 2005 session of the legislature is available on the web at www.mainemed.com or from the MMA office.

The MMA welcomes your participation in our legislative advocacy activities. For more information, please contact Andrew MacLean, Deputy Executive Vice President, at amaclean@mainemed.com.

ETHICS NOTE: BUSINESS ARRANGEMENTS BETWEEN PHYSICIANS AND HOSPITALS

In Maine today, a substantial number of physicians have entered into employment agreements with hospitals. The Maine Hospital Association estimates that approximately a third of physicians practicing in Maine are employed by hospitals. The MMA leadership believes that physicians should have a choice of practice settings - a traditional private practice, a hospital-based practice, a hospital-owned practice, a health center, or another situation - and that patients should have a choice of practice setting in which to obtain their medical care. The AMA Code of Medical Ethics supports a variety of relationships between physicians and hospitals, stating that "[t]here are various financial or contractual arrangements that physicians and hospitals may enter into and find mutually satisfactory," depending on the situation. See Opinion 4.06, *Physician-Hospital Contractual Relations*. You can view the ethics opinions on the AMA web site at http://www.ama-assn.org/apps/pf_online/pf_online. Go to "Ethical Opinions" and then "E-4.00, Opinions on Hospital Relations."



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