

Plastic surgeon visits D.C. to champion cost-cutting billing software

BY JIM LEONARDO

A plastic surgeon is proposing an innovative option for the Centers for Medicare and Medicaid Services (CMS) to save billions of dollars while simultaneously processing Medicare claims for physicians in one minute – rather than a month or more (50-70 days is the norm). ASPS member Paul Vanek, MD, Mentor, Ohio, traveled to Washington, D.C., on Oct. 5-7 to garner support among members of Congress and CMS leadership to implement HIPAA-compliant, secure software – an “interoperable Medicare platform” – that would provide immediate claims adjudication and improve efficiency across the board.

Dr. Vanek’s trip to Capitol Hill netted 23 meetings with federal legislators or their chiefs of staff – including personal interaction with House Speaker John Boehner (R-Ohio), and senior research fellows at several private-sector health care institutions.

“The goal of my Washington effort was to get CMS’s attention that software exists that uses non-binary language and is encrypted – and it can help reduce the costs of Medicare transactions,” Dr. Vanek says. “Medicare needs claims reform and it needs cost savings. This will do both.”

According to Dr. Vanek, a small percentage of each Medicare reimbursement claim is siphoned by an administrative entity at



Paul Vanek, MD, takes a break in discussing Operation White Coat in Washington, D.C., with House Speaker John Boehner (R-Ohio) during Dr. Vanek’s advocacy effort on Oct. 5-7.

nearly each step of the billing process. A reimbursement may go through four or five levels of this “manual intervention” before it is finally permitted to the physician – a process that sustains unnecessary bureaucracy and reduces the amount of money in the overall Medicare system. The applica-

tions would eliminate these levels, he notes.

“The government’s administrative cost for each Medicare claim is \$70,” based on 2009 data, he says. “We can bring that down to about \$4. With 47.6 million people enrolled in Medicare, that annualizes conservatively to \$9.5 billion in savings – and this is realized entirely separate of the physician-patient relationship. This is simply through billing alone.”

The system would also help many individual physicians spend more time with patients and less time sorting through claims.

“A reimbursement system that moved this quickly would amount to a real sea change for surgeons’ billing and bottom lines – and increase our capacity for patient care,” says ASPS Government Affairs

Committee (GAC) Chair Anne Taylor, MD. “The current system and the long wait for reimbursement are costly and frustrating – even more so when it takes 70 days just to receive a rejection. Claims immediacy would be a boon for plastic surgeons, as well as medicine in general. Also, from my perspective as GAC chair, that he’s doing this on his own is impressive.”

The software, which would require Congressional approval before CMS could implement it, was developed by Richfield, Ohio-based IQ Ware – a company in which Dr. Vanek has no financial interest – and has reportedly received requests for demonstrations by the CIA and National Security Agency. (Though the software is complete, the full system for plastic surgery is still in development but applications for Medicare, Medicaid and TriCare are in their final stages of work.)

Dr. Vanek notes that the Ohio Hospital Association (OHA) has installed a pharmacy billing system quite similar in nature to the applications under construction by IQ Ware.

Jeff Ziegler, president of The Continental Group – the health care liaison organization directly involved in the effort backing the Medicare software – says the California Hospital Association and Ohio Bureau of Workman’s Compensation have entered into contract negotiations designed to bring relevant applications into their organizations.

Let the savings begin

The streamlined billing process begins when the medical professional or organization – they would be preregistered after meeting

several criteria – enters billing data into the application. It then checks registration and security data, and processes the claim using current ICD-9 (soon to be ICD-10) information – and an adjudication is reached moments later. Reimbursement follows as quickly as that paperwork can be processed.

“This software will empower the industry with an online, real-time paperless claims system that will help put the patient and doctor back in control of both treatment and cost of care,” Ziegler says.

“The program provides immediate results, and it’s HIPAA-compliant,” Dr. Vanek adds, with that privacy component proving attractive to several U.S. governmental institutions.

“The software has come to the attention of CIA and NSA because of its encryption capability; they’re very interested in it because it’s not binary – it’s a new language and very secure,” Dr. Vanek adds. “Regardless of who uses it and in what capacity, that element of the software provides a great fraud- and abuse-fighting mechanism.”

Reversing negative trends

Dr. Vanek’s efforts are part of an overall approach called “Operation White Coat II,” which is designed mainly to repeal national health-care legislation.

“We’re facing 163 ‘adjudicating panels,’ otherwise known as bureaucracies, that will come into being in the Medicare process in the coming months,” he says. “The implementation of expensive compliance measures are onerous and will crush our industry.”

In addition, penalties to be levied for fraud under the new health care laws are as suffocating as they are ridiculous, Dr. Vanek adds.

“If my biller inadvertently codes something as a Level V and it’s really a Level I, that innocent mistake could cost me – because I’m the treating physician – a \$25,000 fine and five years in prison,” he says. “The authorities then have the right to pull 20 charts, and if one has a mistake, they can extrapolate my roughly 6,000 Medicare interactions and assume a 5 percent error rate. I would face a fine of 300 times \$25,000, and a prison sentence of 300 times five years – it’s unbelievable.”

These restrictions and the erratic way Medicare payments are adjudicated are creating a critical mass that he hopes Operation White Coat II can stop.

“Medicare participation has become hugely onerous for physicians who participate,” he says. “In the end, the ones who will be most hurt by this are the ones we work so hard to protect – our patients.”

For more information on Operation White Coat, visit operationwhitecoat.org.

Deadline for nominations is Jan. 23

Committee seeks candidates for 2013 ASPS, PSF leadership roles

The ASPS/PSF Nominating Committee is now accepting nominations for plastic surgeons to serve on the ASPS and PSF Boards of Directors in 2013. The committee will soon hold initial meetings to develop the ASPS and PSF Slate of Candidates, which will be presented to the full membership for a vote in July 2012.

The deadline to submit recommendations is Jan. 23.

Nominations will be accepted for all leadership positions with the exception of ASPS and PSF president, which will automatically ascend from their respective president-elect positions. Pending the ongoing vote to approve revisions to the ASPS and PSF Bylaws, the Board Vice President, Communications/Member Services position may be eliminated.

- ASPS Trustee (two positions)
- ASPS/PSF Member-At-Large
- Ethics Committee District 3 (Midwest)
- Ethics Committee District 5 (Rocky Mountain/Northwest)
- Judicial Council (two positions)

Application/nomination procedures

All self-nominees and nominated individuals must complete an application packet to be considered for any position. Applications are available online in the “My ASPS” section of plasticsurgery.org. Applications can also be obtained by sending a request to nominations@plasticsurgery.org. Nominees may submit up to two letters of recommendation in support of their nomination.

The Nominating Committee must obtain an executed Conflict of Interest Disclosure Statement from each nominee. Additionally, all Board of Directors nominees must also be engaged in Maintenance of Certification. ASPS members are invited to propose one name for each open position. Additionally, subspecialty organizations are also invited to submit names for consideration. Please note: All nominated individuals must have given his or her prior consent.

Selection process

The Nominating Committee selection process includes the collection of candidates’ names, biographical information and organizational service on committees and boards. The committee discusses nominees via conference calls and face-to-face committee meetings.

In addition to this notice, ASPS members may also access information regarding the nominating process via the “My ASPS” section of plasticsurgery.org, and the ASPS and PSF Slate of Candidates will be published in an upcoming issue of *PSN*.

Ways to submit

All application materials should be submitted via email to: nominations@plasticsurgery.org or by fax to (847) 981-5442. If necessary, materials can be sent via U.S. mail to: ASPS/PSF, attn: Nominations, 444 E. Algonquin Road, Arlington Heights, IL 60005. Please direct any questions to Amy Pappia, member programs administrator, at (847) 228-3309, or Mari Jo Maisonet, governance administrator, at (847) 228-3334.

NYU taps UTSW chief for honor

University of Texas Southwestern Department of Plastic and Reconstructive Surgery Chair Rod Rohrich, MD, Dallas, was selected for the V.J. Kazanjian Visiting Professorship in Plastic Surgery at New York University’s Langone Medical Center from Nov. 27-30. Dr. Rohrich, who is also an ASPS past president and editor of *Plastic and Reconstructive Surgery*, will deliver the keynote Kazanjian lecture “Understanding the Science of Aging: Are Our Current Facial Rejuvenation Techniques Obsolete?” as well as lecture on advances in secondary rhinoplasty. These lectures draw upon his experiences as an innovator in these procedures during his professorship.

“I’m honored to receive this recognition,” Dr. Rohrich says. “I look forward to sharing my knowledge to help plastic surgeons not only manage, but prevent secondary rhinoplasty.”

“Rhinoplasty is a surgery of millimeters and the margin for error is very small,” he adds. “It’s both a science and an art, so it’s of the utmost importance that the surgeon has the proper expertise, experience and overall ability to judge what can, can’t and shouldn’t be done.”

The visiting professorship has been developed through NYU’s Institute of Reconstructive Surgery, and it is named for Varaztad Kazanjian, MD, an oral surgeon who many consider to be the father of modern plastic surgery. Dr. Kazanjian pioneered many plastic surgery techniques to treat combat injuries sustained during World War I.