SUNY Downstate Medical Center – Office of Compliance & Audit Services

Compliance Connection Overview

The Office of Compliance & Audit Services (OCAS) is pleased to deliver the Compliance Connection Newsletter!

This Newsletter offers educational updates and the latest information on significant compliance and audit issues relevant to SUNY Downstate and to the healthcare community.

Downstate’s Compliance Program (CP) applies to all State University of New York (SUNY) Downstate Medical Center (DMC) entities, including the Colleges, University Physicians of Brooklyn (UPB) / Clinical Practice Management Plan, University Hospital of Brooklyn (UHB) and the Research enterprise.

This Compliance Connection newsletter spotlights the many issues these entities face in complying with Federal and State regulations.

DMC is proud of its long tradition of ethical and responsible conduct and is committed to continuing to carry out its business lawfully and ethically.

This commitment requires the participation of every member of DMC’s workforce! We hope you find the information in this newsletter valuable and helpful in fostering your participation in maintaining the highest standards of ethics and integrity!

Compliance 101 - Where to go to get in the Know

Healthcare is a highly regulated industry, that’s for sure. Hospitals, practitioners, billers, and suppliers are subject to a magnitude of ever shifting, ever evolving legal obligations. Providers in all settings are responsible for understanding healthcare fraud and abuse laws as well as the consequences for violating those laws.

To that end, SUNY DMC maintains an effective Compliance Program administered by the Office of Compliance & Audit Services (OCAS).

OCAS maintains a Compliance website full of great resources for those looking for compliance guidance or information. www.downstate.edu/compliance

The site provides links to:

- DMC’s Code of Conduct and Compliance Program Manual;
- Compliance related Policies and Procedures;
- DMC’s Internal Control Program;
- Compliance Web-based Reporting;
- Compliance Training;
- Contact information; and
- Numerous other Compliance Resources.

The website also features a full page of “useful links” to Compliance guidance from around the web.

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Compliance 101...(Continued)

One of the most useful tools on the site is offered by the Office of Inspector General (OIG). Compliance 101 is a series of free educational videos and other materials posted to help users understand the statutes, regulations and compliance program requirements applicable to the various segments of the healthcare industry. Education is one of the greatest tools we have in combating fraud, waste and abuse in healthcare. The information presented by the OIG is designed to foster ethical business practices, increased awareness and, with that, a reduced risk of costly criminal and civil litigation.

For the OIG’s General Compliance Education Materials, please visit the website below for more information:

http://oig.hhs.gov/compliance/101/index.asp

And, as always, remember to check in with OCAS at our Compliance and HIPAA sites for the latest information:

http://www.downstate.edu/compliance
http://www.downstate.edu/hipaa

National Physician Payment Transparency Program:
What to expect from the “Sunshine Rule”

Section 6002 of the Affordable Care Act, also known as the Open Payments or Sunshine Rule aims to create public transparency of Industry-Physician financial relationships.

While collaboration within the industry can be instrumental in the development of future medicine, it can also create conflicts of interests that may distract from best practices.

Beginning August 1, 2013, applicable manufacturers and group purchasing organizations will be required to report data annually to CMS about payments and other financial arrangements with providers and teaching hospitals. CMS will then sort the data by provider and post the information publicly on the web.

Applicable manufacturers include those that manufacture a covered product, including: prescribed drugs and biologicals; devices that require pre-market approval; and medical supplies.

The first reporting period for the new rule will run from August 1 through December of 2013. CMS intends to release the data to the public by September 30, 2014. The data is meant to serve as a resource for healthcare beneficiaries, consumers and providers; to make more apparent any interest between physicians, teaching hospitals and industry.

According to CMS, information collected is meant to:

- Encourage transparency of reporting financial ties;
- Reveal the nature and extent of relationships;
- Prevent inappropriate influence on researchers, education and clinical decision-making;
- Avoid conflicts of interest that can compromise clinical integrity and patient care; and
- Minimize risk of increased healthcare costs.

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SAFEGUARDS  ➔  ONSITE, OFFSITE, 24/7….Keep PHI secure!

When you have access to / control of Protected Health Information, it’s your job to keep it safe.
* Never leave PHI unattended *
* Do not discuss patient care in public areas *
* Use lowered tones when discussing care in semi-private rooms *
* Check with patient or review the chart for consent before discussing info in the presence of visitors *
* Never share passwords *
* Always limit PHI to minimum necessary *
* Encrypt PHI whenever possible *
* Always encrypt PHI when transmitting over Internet *
* Do not take USB drives/portable devices offsite unless encrypted *
* Immediately report lost or stolen PHI *
* Upload patient images taken with mobile devices immediately to DMC’s network *
* Delete patient images from mobile devices before going offsite *
* Dispose of PHI in secure bins or shred – never place in trash bins *
* Completely and permanently delete e-PHI before disposing of electronic equipment *
* Never use personal email for transmission of PHI – Lotus Notes must be used *

Ensure that all reasonable safeguards are followed when taking PHI off DMC’s premises

NEW

OMNIBUS RULE  - LONG AWAITED CHANGES TO HIPAA ARE FINALLY HERE

On Jan. 17, 2013, the U.S. Department of Health and Human Services (DHHS) issued a final rule, known as the “Omnibus Rule,” that became effective on March 26, 2013. The Omnibus Rule – named for its sweeping scope- makes notable changes to the Health Insurance Portability and Accountability Act (HIPAA) of 1996. The new regs will mean revisions to many of Downstate’s HIPAA Privacy Policies & Procedures, most of which must meet a set “compliance date” of September 23, 2013. The Rule’s key changes are listed below:

Applies HIPAA rules to business associates (BAs) and subcontractors – BAs of DMC are now directly liable and must abide by the HIPAA Security standards as well as certain aspects of the Privacy rule. BAs now include subcontractors, Patient Safety Organizations, health exchange organizations and personal health record vendors with whom Downstate provides routine access to PHI.
A new SUNY DMC template Business Associate Agreement (BAA) is in place and is to be utilized for contractual understanding of the new requirements between DMC and its vendors.

Updates Civil Monetary Penalty Provisions – New focus on willful neglect. Additionally, civil and monetary penalties may be levied against BAs for failure to comply.

Marketing Restrictions – Communications - for treatment, payment, operations or otherwise – involving financial remuneration from a third party whose product or service is being described now require patient authorization.

Fundraising - Expands the PHI that a covered entity may use without authorization from the patient for fundraising.

Notice of Privacy – Enhances patient rights and requirements outlined in the Notice of Privacy Practices (NPP). DMC will be revising its NPP for distribution to patients.

Out of Pocket Payments - Expands the rights of individuals to restrict disclosure of PHI to their health plan when services are paid out of pocket.

Research – Research purposes included in an authorization no longer need to be study specific, allowing for use in future research.

Modifies Breach Notification Requirements – New rules for implicating breach notification requirements. Instead of “significant risk of harm” determination, entities must demonstrate a low probability of data compromise to be exempt from reporting. This will mean many more reported incidents.
ICD – International Classification of Diseases – is a medical diagnosis classification system originally developed by the World Health Organization (WHO) to promote international comparability of health related statistics. Over the years, countries expanded or modified ICD to provide the additional detail needed for specific applications. In 1979, the US adapted a clinical modification (CM) of ICD-9 (version 9) diagnoses (Dx) coding and developed an ICD-9 Procedural classification system which is utilized by acute care hospitals for inpatient cases. In the 1980s, the US began using ICD-9-CM Dx and Procedural codes as the basis for a prospective payment system (PPS) in the form of Diagnosis Related Groups (DRGs) and has implemented other PPS’s that utilize ICD-9-CM for payment purposes. Since that time, government agencies, payers, professional associations, providers and vendors alike have become increasingly invested; with software, quality measures, research, billing systems, physician and coder education, and much more all deeply rooted in ICD-9 taxonomy.

While most other countries have long moved on to ICD-10, more than 30 years later, the US healthcare system is still using an antiquated ICD-9-CM as our coding system and thus as the basis for our PPS’s. Simply put, ICD-9 is outdated. It no longer reflects current medical knowledge of the disease process or advancements in medical technologies. Its structure (3-5 digit numeric codes) has nearly run out of room for new codes and classifications. Because ICD-9 is so limited in capturing information regarding a patient’s medical condition, using it greatly hampers any real comparison of costs and outcomes in our provision of care. Now, after years of work and anticipation, on October 1, 2014, ICD-10 will roll out, ushering in more than 124,000 new Dx and procedure codes and a new era in health care.

The upgrade will allow for advancements in public health, quality measures, research and reimbursement. With the greater specificity ICD-10 offers, providers will be able to more accurately describe the care that they provided, as well as any factoring complications or comorbidities. This will be very valuable in obtaining more precise cost and reimbursement information as well as data for research and quality improvements. Because the rest of the industrialized world is already using ICD-10, the US adoption will allow us to participate in data exchange with the global community. The example below illustrates the vast difference in specificity between the two versions:

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As of 10/1/14, claims submitted for payment must use ICD-10 or they will not be paid or processed.

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Under ICD-9-CM there is 1 procedure code for an Angioplasty of a Non-Coronary Vessel regardless of the body part, specific vessel, procedural approach or device implantation. ICD-10 expands this condition to a possible 854 codes, specifying body part, vessel, approach and device.
All payments or other transfers of value from an applicable manufacturer to a physician or teaching hospital will be reported. It is important to note, the rule does not include payments to:

× Residents
× Allied health professionals
× Non-physician prescribers
× Bona fide physician employees of the applicable manufacturer.

For each “payment or transfer of value” more than $10.00 per line item (or in yearly aggregate greater than $100.00) the manufacturer will report:

⇒ Name of Covered Recipient
⇒ Address
⇒ Identifiers (Physician ID)
⇒ Amount
⇒ Date
⇒ Form
⇒ Nature
⇒ Related covered product
⇒ Eligibility for delayed publication
⇒ Payments to third parties
⇒ Whether the physician is owner or investor
⇒ Additional info.

The manufacturer will also specify based on 16 categories for reporting – the nature of the value item, including:

* Consulting fees
* Speaking fees
* Honoraria
* Gift
* Entertainment
* Food / beverage
* Research
* Current or prospective ownership or investment interest

Data provided to CMS will be aggregated and then made available for review by the covered recipients (physicians and teaching hospitals). CMS is expected to open an optional ‘registration process’ for covered recipients in early 2014. This process will allow individuals and teaching hospitals to review the data that CMS has aggregated before it gets published. Those that choose not to register will not be able to review the data before it is publicly posted. Covered recipients will have 45 days to review and notify manufacturers / GPOs of any errors or objections to the reported payments.

At this time, physicians are encouraged to familiarize themselves with the rule and the information that will be reported about them. OCAS will be providing updates as the open registration date approaches.

CMS also advises that physicians keep records of all payments and transfers of value received from applicable manufacturers or GPOs for their records. This will be helpful should there be any dispute about reported payments. For more information about the Sunshine Act, please visit:


As of 10/1/14, claims submitted for payment must use ICD-10 or they will not be paid or processed.

Downstate has already begun the transition process. Administrators from key areas including Health Information Management (HIM), Information Systems, Finance, Managed Care, Revenue Cycle, Admitting, Clinical leadership, and Compliance are engaged in an arduous workplan, including tasks such as:

- Identifying / reconfiguring information systems that rely on ICD-9-CM;
- Identifying / revising vendor contracts;
- Re-evaluating current workflows;
- Identifying / developing training;
- Identifying budget allowances.

Implementation will command a substantial effort. The transition to ICD-10 will have a major impact on all healthcare providers, third party payers, information technology, health care administrative agencies and clinical research institutions. The numerous changes require planning, analysis, process redesign, education, and resources at an unprecedented level.
This institutional effort will require the assistance and support from all of DMC to manage this transition and we count on all of you to work towards a successful implementation. Many of you will be called upon to participate in work groups, respond to inquiries, assess and re-engineer processes. We thank you in advance for your cooperation and participation. Stay tuned!

Further information about ICD-10 is available at the following sites:

The Centers for Medicare and Medicaid Services (Administration of Medicare and Medicaid)

The American Hospital Association (publishes Official Coding Guidelines)
http://www.ahacentraloffice.org/ahacentraloffice/shtml/ICD10overview.shtml

The American Health Information Management Association (provides education, testing and credentialing (RHIA, CCS))
http://www.ahima.org/icd10/

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STAY CONNECTED! ...More About the Compliance Connection

The Compliance Connection is has broadened your understanding of the Office of Compliance & Compliance activities. If you would like to suggest topics for our next circulation, please feel free to contact the Office at (718) 270-4033.