

NJHFMA-  
Physician Practice  
Forum

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Forum - Presentation  
January 2024

# NJ HFMA – Physician Practice Forum

## Agenda

### ✓ **National/State Issues**

- ✓ NJ Extends Telehealth Parity Payment in 2024
- ✓ Federal Trade Commission Proposes Ban on Non-Compete Clauses
- ✓ Unions Win Benefits

### ✓ **Part A**

- ✓ HFMA Hospital Outlook 2024
- ✓ Kaufman Hall December 2023 Flash Report
- ✓ AI Transparency Rule

### ✓ **Part B**

- ✓ Kaufman Hall Physician Flash Report – Q3
- ✓ G2211 Code – High Activity Predicted

### ✓ **Compliance**

- ✓ Changes to the Stark Law and AKS Address Physician Mental Health

### ✓ **Payers**

- ✓ Copay Accumulators

### ✓ **Technology**

- ✓ Health IT Predictions

**Next monthly meeting**

Wednesday, February 28, 2023

# NJ HFMA – Physician Practice Forum

## ✓ National/State Issues

### ✓ NJ Extends Parity Payment for Telehealth

- ✓ On December 21, 2023, amended legislation was passed which extends the State's telehealth parity flexibilities to December 31, 2024.
- ✓ The bill extends the requirement that a health benefits plan provide coverage and payment for healthcare services delivered to a covered person through telemedicine or telehealth at a provider reimbursement rate that equals the provider reimbursement rate that is applicable for an in-person visit.
- ✓ There are two exceptions to this requirement:
  - ✓ First, the parity requirement does not apply to a healthcare service provided by a telemedicine or telehealth organization that does not provide the healthcare service on an in-person basis in New Jersey.
  - ✓ Second, it does not apply to a healthcare service that was provided through real-time, two-way audio without a video component, including through audio-only telephone conversations – 50% of contract rate except for audio behavioral health calls which are still 100%

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## ✓ National/State Issues

### ✓ FTC Proposes Ban on Non-Compete Clauses

- ✓ On January 5, 2023, the Federal Trade Commission (FTC) proposed a new rule that would ban employers from imposing non-compete clauses on workers.
- ✓ The new rule would make it illegal for employers to enter into or attempt to enter into a non-compete clause with a worker, maintain a non-compete clause with a worker, or represent to a worker that the worker is subject to an enforceable non-compete clause.
- ✓ The new rule would require employers to rescind existing non-compete clauses and inform workers that such non-compete clauses are no longer in effect.
- ✓ The compliance date for the rescission of existing non-compete clauses is proposed to be 180 days after the publication of the final rule. The FTC is expected to publish a final rule in April 2024.

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## ✓ National/State Issues

### ✓ Unions Win Benefits

- ✓ Unionized workers at health systems negotiated contracts in 2023 that included significant pay increases, improved staffing requirements and workforce development opportunities.
- ✓ In 2024 it is likely these accomplishments will prompt more organizing and harder stances as a number of large contracts at systems such as HCA Healthcare and Tenet Healthcare are set to expire.
- ✓ The solidarity across clinical specialties and different types of healthcare workers has SEIU-UHW members expressing confidence that the momentum for fair wages and increased patient safety will continue in 2024.
- ✓ A trend to watch is the growing number of physicians and residents who seek to form bargaining units as they become fed up with grueling work hours and understaffing.

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## ✓ Polling Question #1



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- ✓ **The Centers for Medicare and Medicaid Services (CMS) – Part A Reimbursement**
- ✓ **Hospital 2024 Outlook – Deloitte and Price Waterhouse**
  - ✓ In an annual survey conducted by Deloitte, only 3% of health system executives and 7% of health plan executives described their 2024 outlook on the industry as *positive*.
  - ✓ However, another 43% of health system leaders and 50% of health plan leaders said they were cautiously positive about the upcoming year.
  - ✓ While 57% of organizational executives cited workforce talent challenges and shortages as a high-impact factor for 2024.
  - ✓ In its year-end [report](#), PwC said providers still face a steady rise in the cost of treating patients. The company's Health Research Institute is projecting a 7% year-over-year increase in medical costs for 2024.

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## ✓ The Centers for Medicare and Medicaid Services (CMS) – Part A Reimbursement

### ✓ Kaufman Hall December 2023 Hospital Flash Report

#### ✓ Key Findings

- ✓ Hospital performance in November signals continued stabilization and growth. Operating margins improved compared to the previous month and last year, and other data points indicate movement towards recovery, though the gap between high and low performers remains quite wide.
- ✓ Revenue per adjusted discharge has increased while total expense per adjusted discharge has decreased month-over-month and year-over-year—a sign of financial recovery. This reflects the efforts organizations have taken to deliver care in the most effective settings and reduce reliance on contract labor where possible.
- ✓ Average length of stay declined indicating a shift towards more normal patient acuity. Organizations that have adopted value-based and bundled payment models will benefit further as they transition and provide care at the appropriate clinical setting
- ✓ Current YTD (January through November) Operating Margin was 2%
- ✓ Monthly Operating Margin (November) was 3.8%



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## ✓ The Centers for Medicare and Medicaid Services (CMS) – Part A Reimbursement

### ✓ Artificial Intelligence (AI) Transparency Rule by HHS

#### ✓ Key parts of the new HHS AI Rule:

- ✓ This initiative introduces transparency requirements for certified health IT and software developers, particularly focusing on AI and predictive algorithms
- ✓ The goal of the rule is to require developers to provide healthcare organizations with information and data
- ✓ Developers must provide organizations with details on the software's development process and functionality.
- ✓ Developers will also need to inform customers about the AI's training data. Additionally, they will be required to disclose performance metrics, elaborate on ongoing performance monitoring procedures and outline the frequency of algorithm updates.
- ✓ The rules should be in effect by the end of 2024.

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## ✓ Polling Question #2

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- ✓ **The Centers for Medicare and Medicaid Services (CMS) – Part B Reimbursement**
- ✓ **Kaufman Hall Physician Flash Report Q3**
  - ✓ Key Findings:
    - ✓ While revenue overall is increasing, providers are being paid less per unit of work (wRVUs).
    - ✓ Investment/subsidy per provider continues to increase, but the pace is slowing.
    - ✓ Labor costs continue to increase overall and as a share of revenue although the ratio of support staff to provider wRVUs is decreasing.
    - ✓ Organizations should strategically deploy their support staff to support their most productive providers.

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- ✓ **The Centers for Medicare and Medicaid Services (CMS) – Part B Reimbursement**
  - ✓ **G2211 Code – High Activity Predicted – Offset to Conversion Factor Reduction**
    - ✓ Visit complexity inherent to evaluation and management associated with medical care services that serve as the continuing focal point for all needed health care services and/or with medical care services that are part of ongoing care related to a patient's single, serious condition or a complex condition
    - ✓ Part B News predicts 2024 will see over 100 Million claims!
    - ✓ While it pays at a modest rate of \$16.04 per claim it is expected to be a very active claim.
    - ✓ CMS' internal projections say that providers will report the G2211 service in its debut year on 38% of E/M office visit claims.
    - ✓ In the Part B News 2024 Predictions Survey, administered in December, nearly 80% of respondents said that they plan to report the add-on code in 2024

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## ✓ Polling Question #3

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## ✓ Compliance

### ✓ Changes to the Stark Law and AKS for Mental Health Services

- ✓ There is a new Stark Law exception and an AKS safe harbor for healthcare entities offering mental health programs to physicians, which includes counseling, mental health services, suicide prevention, and substance use disorder programs.
- ✓ The new Stark Law exception for physician-focused mental health programs requires a written policy and must be offered by a healthcare entity with a formal medical staff to all physicians in the geographic area served by the entity and without regard to the volume or value of referrals or other business generated by a physician for the entity.
- ✓ The new AKS safe harbor is similar to the Stark Law exception. However, the new AKS safe harbor also applies to non-physician clinicians, thereby permitting healthcare entities to provide mental health and behavioral health improvement or maintenance.



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## ✓ Payers

### ✓ Copay Accumulators

- ✓ Copay accumulators are programs insurers use to prevent medication copay assistance from counting toward patients' deductibles or out-of-pocket maximums.
- ✓ Patients receive copay assistance from pharmaceutical companies, the amount paid by the manufacturer helps reduce the patient's out-of-pocket costs.
- ✓ HHS, along with CMS, appealed a District Court decision in November. A senate group issued a letter to HHA which was released this week but dated December 20 urged HHS to drop the appeal to ensure Americans receive cost-sharing protections for their expensive medications.
- ✓ The letter referenced a February report showing that nearly two-thirds of individual health plans available on the ACA marketplace had implemented copay accumulators.

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## ✓ Technology

### ✓ Health IT Predictions 2024

- ✓ Health equity, where our experts anticipate an emphasis on bidirectional data sharing, collaborative care, and community health.
- ✓ Cybersecurity a more accelerated move to zero trust, a reexamination of cybersecurity toolsets, and a renewed focus on incident response and resilience.
- ✓ Telehealth and Virtual Reality, our experts see care at home, chronic condition management, mental health, and virtual nursing dominating the telehealth conversation.
- ✓ Value-Based Care, our experts foresee a greater role for community health, a broader focus on marginalized populations, and an expansion of SDOH data collection.

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## ✓ Polling Question #4

# MJM Advisory and Educational Services

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