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## CMS Issues 2008 Physician Fee Schedule Proposed Rule, Makes Other Changes – Part II

On July 12, 2007, the Centers for Medicare and Medicaid Services (CMS) published a proposed rule for the 2008 Physician Fee schedule, and proposed rules on a number of Part B programs, including Comprehensive Outpatient Rehabilitation Facilities (CORFs).

### CORFs

- CMS had not updated their CORF regulations since the change in reimbursement model from a “reasonable cost” basis to 80 percent of the lesser of a payment amount under an existing fee schedule or the CORF’s actual charge. CMS is proposing to add a new subpart M to 42 CFR Part 414 to reflect the change in CORF payment methodology.
- CMS also has proposed a general tightening up and limiting of what can be billed at a CORF, including removing a variety of services seen as not directly related to the rehabilitation services. Drugs and biologicals also would be removed from the scope of CORF services as defined at §410.100. Similarly, CMS seeks to remove social and psychological services that are not related directly to the rehabilitation services. The agency is concerned that people are using CORFs to treat mental illness. CMS proposes to revise §410.105 to “clarify” their policy that CORF services are covered only if they are provided under the rehabilitation plan of treatment and relate directly to the rehabilitation of the patient. The agency is “concerned that the current descriptions of CORF social and psychological services may be misconstrued to include social and psychological services for the treatment of mental illness, which we believe is outside the scope of coverage for CORF social and psychological services because these services do not relate directly to a rehabilitation plan of treatment and the associated rehabilitation goals.” They also propose to limit the scope of respiratory therapy that a respiratory therapist may provide in a CORF.
- Contrary to its general desire to limit the services performed at CORFs, CMS recognized the benefits of expand access to needed vaccines, and proposes to allow pneumococcal, influenza, and hepatitis B vaccines to be administered to CORF patients in the CORF setting, even though such vaccines fall outside the scope of CORF services.

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## Other Issues

- **Recall of Implantable Cardioverter-Defibrillator (ICD) and Pacemakers.** CMS addressed recalls and replacement devices following the recall of thousands of ICDs and pacemakers in 2004 and 2005. This proposed rule would reduce payments for hospital inpatients when hospitals use a recalled or replacement device at no cost or with partial credit. CMS already had made such fee reductions for outpatient hospital reimbursement. CMS will study if physicians may require additional payments around replacement devices due to extra, unreimbursed services they are required to perform.
- **Revisions to Personnel Qualification Standards for Therapy Services.** Here CMS appears to have taken a reasoned review of the need for regular physician certifications for occupational and physical therapy services. It proposes dropping the 30-day recertification requirement, and letting it stretch to 90 days.
- **Elimination of Exemption for Fax Signatures for e-Prescribing.** CMS proposes to revise §423.160(a)(3)(i) to eliminate the computer-generated facsimiles (faxes) exemption to the "NCPDP SCRIPT" Standard for the communication of prescription or certain prescription-related information between prescribers and dispensers for the transactions listed at §423.160(b)(1)(i) through (xii). This change will require prescribers and dispensers to upgrade e-prescribing software and hardware to make them capable of generating and receiving NCPDP SCRIPT transactions. CMS's goal is to eliminate computer to fax machine transactions.