



VOLUME 1, ISSUE 2 • FALL 2003

Special Points Of Interest:

- Doctor Francisco Zornosa, MD joined Rockford Nephrology Associates on October 27th, 2003.
- Micromed upgrade scheduled for December 13, 2003.

Let us know about points of interest by sending an email to newsletter@nephdocs.com

NANI Announces Change In Professional Employment Organization

NANI has change Professional Employment Organizations ("PEO") from Administaff to ADP TotalSource effective January 1, 2004. ADP TotalSource will provide NANI greater cost control and flexibility by customizing its benefits offering which allows employees to choose only the coverage they need from a menu of options.

The following outlines the important facts you should be aware of regarding this change:

All NANI personnel will become employees of ADP TotalSource, will receive live checks on the first date of payroll with ADP. Direct deposit will be active for all subsequent payroll cycles for those who wish to take advantage of that service. Due to the holiday the first Physician payroll will be on Monday January 5, 2004. The first Non-physician payroll will be on Friday January 9, 2004. Please note that all live payroll checks and direct deposit statements will be mailed to you place of employment. ADP's policy is not to send checks or direct deposit statements to an employee's residence. All non-physician employees will receive a final Administaff paycheck through December 31, 2004. A more detailed transition plan will be made available to you in the coming weeks. NANI will continue to have United Healthcare as its insurance carrier. However, due to high premium cost and limited availability NANI will no longer be offering an HMO option. Instead, most employees will be able to select from two separate PPO plans.

We will be scheduling enrollment workshops at select NANI office locations over the next several weeks to explain all available benefit options and to assist you in selecting the appropriate amount of coverage for you and your families. All efforts will be made to ensure that all NANI employees have new United HealthCare cards prior to January 1, 2004. You should disregard any open

enrollment materials you may have received from Administaff.

NANI is very excited about this change because of what management feels it offers you. Management is committed to making high quality cost-effective benefits and services available to all its employees. If you have any questions please feel free to contact Daniel DeFalco at 708.492.4543.

CMS Releases Fee Schedule Final Rule

Effective January 1, 2004, the Centers for Medicare and Medicaid Services ("CMS") will implement a system of temporary G codes that establishes different payments for physician

services rendered to patients while on dialysis. The new schedule is based on the number of patient interactions with their physician in a given month.

Reimbursement will be at 80% of the following rates for patients in Illinois:

CODE	DESCRIPTION	2004 All Other	2004 COOK	2004 DUPAGE
G0317	Full Month 20+Yrs. Old / 4+ Visits <i>Percentage Change From 2003 Full Month</i>	\$268.69 9%	\$304.55 9%	\$297.41 9%
G0318	Full Month 20+Yrs. Old / 2-3 Visits <i>Percentage Change From 2003 Full Month</i>	\$223.70 -9%	\$253.48 -9%	\$247.55 -9%
G0319	Full Month 20+Yrs. Old / 1 Visit <i>Percentage Change From 2003 Full Month</i>	\$178.99 -27%	\$202.82 -27%	\$198.08 -27%
	2003 Full Month Patient Greater than 19 Years	\$246.68	\$279.00	\$272.75

Please note Indiana reimbursement rates have yet to be released. NANI management is assessing the impact this change will have on the way we deliver and bill for these services. If you have any questions please feel free to contact Daniel DeFalco at 708.492.4543.

Billing & Coding: What You Should Know

Roz Tooman, Manager NANI Billers

Magnetic Resonance Angiography (MRA) of the renal arteries is a highly sensitive non-invasive exam for detecting renal artery stenosis and does not require the use of nephrotoxic contrast agent. Until recently the only allowable indications for MRA's of the abdominal aorta and its branch vessels were abdominal aortic aneurysm or aortic dissection. However, as of July 1, 2003 the Centers for Medicare and Medicaid Services have expanded coverage for MRA to include imaging of the renal arteries and aortoiliac arteries in the absence of abdominal aortic aneurysm or aortic dissection.

The expanded criteria will now provide coverage for MRA to evaluate for renal artery stenosis irrespective of the presence or absence of underlying aortic

disease. Indicate appropriate primary and secondary diagnosis when referring patients for this test.

Micromed Updates:

Micromed will be updated to version 3.20 on Saturday December 13th, 2003. You will be able to access the system, use the scheduler and create new patients as usual on December 12th. No charges should be entered between Thursday and Sunday.

Stop by to see Sue Campbell on December 12, 2003 after the Billing and Compliance meeting to ask questions and take a look at the upgraded version.



REFERRALS?

Do you need referrals to be reimbursed for MCP visits on Managed Care Patients? If you do an inpatient consultation do you need authorization from the health plan? The answer to both is probably YES! As a specialist if you are seeing Managed Care Patients in any setting you are required to obtain authorization for services. Referral or authorization numbers should be entered into Micromed with specific information regarding length of time the authorization is good for and number of visits.

The business office will assist you in identifying your Managed Care patients by including insurance information on your monthly MCP list. Referrals can be entered for hospital and office visits/consults when the charges are entered.

If your office is not currently entering charges please contact a member of the billing team for guidelines and expectations.

Payer Updates/Managed Care Corner

Did you know that Medicare has changed the way it reimburses its Medicare + Choice providers? The centers for Medicare and Medicaid Services (CMS) have implemented a new risk adjustment model for Medicare reimbursement (effective January 2004). The CMS-HCC (Hierarchical Condition Category) Medicare risk adjustment model includes several changes that you should be familiar with in order to accurately code Medicare encounters and claims.

The CMS-HCC model uses condition categories to determine reimbursement based on diagnosis codes (ICD-9) submitted for physician and hospital inpatient/outpatient claims and encounters. All claims and encounters should be coded to the highest level of specificity, including secondary diagnosis, and must be supported by a member's medical record.

By following coding specificity levels you can reduce your risk of a claims audit from our contracted Medicare Risk

Payers (i.e.: Humana) and ensure that you are receiving the highest level of reimbursement. You can learn more about the new Medicare reimbursements from CMS by logging onto the CMS Web site at www.cms.gov.

patients have been notified of this change.

These negotiations do not effect the NANI professional contract in any way our providers are directly contracted with UHC and will continue to provide services to our patients. As providers you will need to direct patients to participating facilities for hospital based services and admissions when possible. Patients have been notified that they may continue to use Advocate facilities at an out-of-network benefit rate. As always, non-covered services and provider balances will be billed as patient liability.

As many of you will be effected by the contract negotiations/terminations between Advocate

Health Centers /Dreyer Medical Centers and United Health Care I encourage you to discuss your options with your family. And professionally express your concerns with the administration of Advocate and United Health Care.

United Healthcare And Advocate Health In The News!

As many of you are already aware Advocate Health Care/Dryer Medical Clinics and United Health Care are currently trying to agree to a new contract. It has recently been in the news that Advocate has decided to terminate agreements with UHC and current

Take A Walk With HIPAA Though The Physician's Office

HIPAA was developed to protect the confidentiality of patient history and information or PHI. Your office should have developed measures to insure that you are not inadvertently putting yourselves at risk. Would you pass a HIPAA walk through?



Patient calls to make an appointment. Receptionist uses reasonable safeguards (i.e., speaks softly) to prevent others from overhearing PHI.

Patient arrives, checks in with the front desk. All PHI is eliminated from check in area when possible. Computer monitors, patient charts and other documents are arranged so they are not viewable by patients checking in or in the waiting room.

Patient fills out paperwork. Patient receives all appropriate authorization forms and a Notice of Privacy Practices. A "good faith" effort is made to obtain a signature on the Notice of Privacy Practices.

Patient waits in the waiting room. A Notice of Privacy Practices is visible. Front desk and exam areas are arranged to prevent the overhearing of other patients' PHI.

Patient is escorted to the exam area. Computer monitors, workstations and documents hanging outside exam rooms are arranged to prevent the patient from seeing other patients' PHI.

Patient receives exam or consultation. Providers ensure reasonable patient privacy (i.e. not speaking loudly) during the exam or consult.

Receptionist workstations: Staff makes sure that when they leave their desks, loose paperwork and computer monitors don't reveal any PHI to unauthorized patients or others in the office.

Patient checks out and makes follow-up visit. Same rules apply as at check-in.

Compliance Committee News

Roz Tooman presented a final copy of the NANI, Inc. Analysis of Practice Billing (servicedates July 2002 through February 2003). The purpose of the analysis was threefold:

- 1) Determine whether bills are accurately coded to reflect the services provided
- 2) Assess the billing appropriateness of the paid claims with respect to documentation.
- 3) Determine if NANI employees are complying with the standards of conduct set forth by the organization.

The initial analysis presented considerable risk with relation to the documentation and coding practices of individual physician practices. Face to face discussion on the findings has been presented to each geographic practice area along with written guidelines and expectations. An internal follow-up is being conducted along with a review of other high-risk areas.

Compliance and Billing Training Sessions were held in July and October, more than 36 people attended each session

including office managers and billers, corporate billing representatives and cash application personnel. Information on employee code of conduct, human resource policy and procedure, and compliance issues including harassment and dress code was presented. Biller responsibility and coding issues were covered along with a discussion on referral requirements and contract participation. Each staff member received a compliance binder.

Illinois Provider Credentialing Cycle

The State of Illinois introduced a mandated credentialing process for all health care providers licensed by the State of Illinois. This process dictates the timeframe and credentialing cycle for Illinois providers based on the last digit of their Social Security Number. In order to lessen the documentation burden for your office and to provide consistency The NANI business office will provide you with a copy of a pre-populated application for review. Please make sure that all areas are current and that changes are sent to the attention of Kelly McDonald, Managed Care Coordinator.

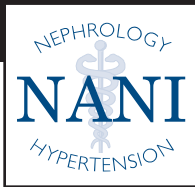
This document will be kept on file to fill credentialing requests as they are made.



Although we have had discussions with several healthcare plans regarding their

individual approach to this new procedure they will continue to send requests directly to the physician office. Providers should answer all questions relating to current hospital privileges or malpractice liability and forward to the business office. Documentation will be copied and forwarded to the health plan, along with contractual information and required attachments.

This process centralizes our documentation and allows us to more effectively streamline credentialing for the contracts negotiated on behalf of NANI, Inc.



NEPHROLOGY ASSOCIATES OF NORTHERN ILLINOIS/INDIANA

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NANI Today is Edited By Kelly McDonald

Coming Attractions & Events

NANI BOARD MEETINGS

Nani Board Meetings will be held quarterly, on the last Monday of the month of March, June, September and December at 3:30 pm at the Madison street office.

PHYSICIAN PRACTICE MEETINGS

Physician Practice Meetings are held on the last Monday of each month at 6:00 pm with dinner served.

NANI COMPLIANCE/ BILLING TRAINING MEETING

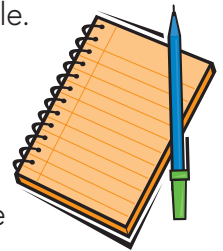
Office managers and billers are requested to attend December 12, 2003 at 9:00 am.

Odds & Ends

MILEAGE REIMBURSEMENT CHANGES -

2004 mileage reimbursement rate as defined by the IRS will increase to \$0.375/mile.

The reimbursement allowance is calculated by multiplying any miles incurred on work related travel that are in excess of daily miles commuted to and from the workplace.



NEW NANI FAMILY MEMBERS -

Please welcome the newest members of the NANI Family:

Nichole Margret DeFalco (June)

Grace Caroline Ling (June)

Eleanor Belle McDonald (July)

Anik Manish Tanna (August)

Evan Alexander Hvostic (September)

Joseph Sweeney (September)

401K Corner: New England Financial

Like most folks, you probably have good intentions about saving for retirement. But if something always seems to derail your plans before they turn into cash plunked into an account, you're not alone. The 2003 Retirement Confidence Survey indicates that 32% of workers have not saved for retirement.

As part of our ongoing service to the employees of NANI, we are offering our asset allocation research to you through a complimentary portfolio review. Now is a great time to assess where your investment strategy is today and plan for your future. By putting a methodology in place, you can take the fear out of investing.

For a review, call Steve Juley with
New England Financial
at 773-864-8757.

STEPS TO GET YOU STARTED:

DEFINE YOUR GOALS

A rule-of-thumb is to save 10% to 15% of your gross income, preferably in a qualified retirement plan like your 401k. For a more realistic estimate of how much to save, check out the website at the American Savings Education Council, www.asec.org.

ADJUST YOUR BUDGET

For a more secure retirement, it is OK to think of your salary deferrals as a way to "Pay Yourself First" vs. other bills. Why not? You owe it to yourself.

RISK VS. REWARD

Check your asset allocation to match your time horizon and savings goals.

WORK A LITTLE LONGER

To accumulate more retirement savings you could work a little longer or work part time after you retire.

GET STARTED NOW

It is never too late or too early. Take advantage of the offer above.

