NEPHROLOGY ASSOCIATES OF NORTHERN ILLINOIS/INDIANA

NANI TODAY

VOLUME 1, ISSUE 4 • SUMMER 2004

Special Points Of Interest:

- **Check out the new NANI web-site:**

  http://www.kidneyphysicians.com/

  Refer your peers and your patients

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

FLEXIBLE SPENDING ACCOUNTS

What is a Flexible Spending Account (FSA)?
A Flexible Spending Account (FSA) is a tax-favored program that allows you to set aside pre-tax money from your paychecks to pay for a variety of eligible expenses.

There are two types of FSA's:
Health Care Flexible Spending Account. Covers eligible health care expenses not reimbursed by any medical, dental, or vision care plan you or your dependents may have. Eligible dependents for this account include anyone you claim on your federal income tax return as a qualified IRS dependent and/or jointly file your taxes with.

How can an FSA help me?
An FSA offers tax savings by allowing you to pay for out-of-pocket expenses with pre-tax money. Without an FSA, you would still pay for these expenses, but you would do so using money remaining in your paycheck after federal (and often state and local) taxes are deducted.

How does an FSA work?
Flexible Spending Accounts are simple to enroll in and easy to use!

Determine how much to contribute.
You decide how much pre-tax money to contribute to your FSA to cover eligible, out-of-pocket health care and dependent care expenses for the entire Plan Year.

- The maximum amount that can be allotted for the Health Care FSA is $4,000 annually and for the Dependent Care FSA $5,000 annually. Both Health Care and Dependent Care FSA's have an annual minimum of $250.

The annual amount you elect to contribute is divided by the number of paychecks you receive in a year, and your FSA allotments are taken out of your paycheck before taxes beginning with the first pay date after the Plan Year starts. You may also elect to have the allotments spread over fewer pay periods, provided the necessary amount is available for the allotment.

Request reimbursement.
When you incur an eligible expense you complete and sign a simple claim form, attach an Explanation of Benefits (EOB) statement or detailed receipt as proof of services received, and submit your claim (http://www.adptotalsource.com) for instructions and forms.

IMPORTANT NOTE: You may submit claims at any time during the Plan Year. Claims for both health care and dependent care must be for eligible services rendered or payments made before the end of the Plan Year and be postmarked no later than 90days following the end of the Plan Year to be considered for reimbursement. All money not claimed for the year will be forfeited by the employee.

ADP reimburses you.
ADP reimburses your eligible expenses from your FSA via Electronic Funds Transfer (EFT) or check payment.

Understanding FSA Benefits

FSA Benefits in terms of your income:

Annual Tax Savings Example	FSA	No FSA
If your Taxable income is:	$50,000.00	$50,000.00
Pre-Tax FSA Contribution	($2,000.00)	$0.00
Taxable Income:	$48,000.00	$50,000.00
Federal income and Social Security Taxes	($8,866.00)	($9,359.00)
After Tax dollars spent on eligible expenses	$0.00	($2,000.00)
Available after tax income:	$39,134.00	$38,605.00
Discount with an FSA	$529 or 26%	

Did You Know?
You can apply your FSA savings to a wider range of expenses than you might imagine, including:
Co-Payments • Child And Elder Care • Late Pick-Up Fees • Over-The-Counter Medications

NANI STATS

Employees Participating In:

Healthcare flex spending: 15%
Dependent care flex: 6%
Both: 4%

Average Contribution To:

Healthcare flex spending per payperiod: $70.14
Dependent care flex spending per payperiod: $215.31

ARANESP UPDATE –
Insurance Verification Alert

It is important to verify all patients with commercial insurance coverage as their primary insurance carrier prior to the administration of Aranesp or Procrit in the office. This does NOT include Medicare Primary patients. If you choose to use the Amgen Reimbursement Connection and their Insurance Verification forms please complete the forms as shown:

How to Complete the Amgen Form:

• At the top of the form next to the Aranesp logo put:
Attn: Marie Sayson

• Under the second section "PHYSICIAN/FACILITY INFORMATION"
– the facility name should be Nephrology Associates
– (suburb of office location and state) i.e. Nephrology Associates
– Naperville, IL

• The contact/receiver name needs to include first and last name of an individual in the office who is readily available for phone calls and fax backs. You may even want to include the days and times that you are in the office.

This will insure only 1 individual is handling all NANI Insurance Verification forms at the Amgen Reimbursement Connection and will be your main point of contact. In addition, this will streamline the process in order to get all the information needed to determine the optimal, most cost effective coverage for the patient.

Additional Insurance Verification forms are available through your Amgen representative or at the NANI Corporate office.

The New IT Network Is Coming!!

The new IT network is coming! Barring any unforeseen problems, NANI is on schedule to implement it's new high-speed network this month! NANI is working very hard with Source One Solutions, XO Communications and SBC Communications to bring this project in on time and on budget. One of the benefits that will be realized from this network can be found in the recent outbreak of the Sasser Worm that affected NANI's computers and tens of thousands of others around the world! While the new network would not have eliminated the contamination caused by the Sasser Worm, the repair of the Sasser Worm would have been accomplished sooner. How? NANI technicians would have been able to quickly pull down a "fix" for the Sasser Worm from Microsoft and immediately and remotely push down the fix to the PCs in the field! While it wouldn't have eliminated the problem, it would have greatly sped up the recovery process!"

REFERRALS?

When providing consultation services we are required to include "referring physician" identification on the claim. The most commonly accepted identification is the provider UPIN number. Did you get a consultation referral from a physician not already in Micromed? Instead of calling the referring physician's office try this web-site. It is fast and easy and will save you a lot of time when doing your hospital and office billing. Let your insurance verifier know when you need to have a provider added.

http://www.upinregistry.com/

On the right hand side of the screen click on Look up UPINS for Individuals, you will get the number and an address to verify you have the correct provider.

Don't forget to include your own UPIN number on all laboratory billing.

NOTES FROM THE ACCOUNTING DEPARTMENT:

PTO tracking is now being performed by ADP for bi-weekly office staff and is reported on your paychecks. Your pay stubs include year-to-date accumulated hours, year-to-date used hours, and a balance of your remaining PTO as of the last day of the pay period for which you are being paid. If you have been employed by NANI for less than six months, an ending PTO balance will not appear on your pay stub, as new employees are not allowed to use PTO hours except for holiday pay.

Newly qualified employees will be notified in early to mid-June of their eligibility to participate in the NANI 401(k) plan, effective July 1st. Employees with current 401(k) plans can make changes anytime before July 1st to their 401(k) contribution percentages for an effective date of July 1st. Please note that July 1st and January 1st are the only times during the plan year in which contribution percentage changes are allowed. If you would like to obtain a form to make contribution percentage changes, please contact Brendon Dreps in the accounting department at 708/492-4544. Investment allocation changes can be made anytime during the year by contacting MetLife (formerly New England Financial) at www.retirelink.metlife.com <http://www.retirelink.metlife.com> or by calling 1-800-I-GOT-MET (1-800-446-8638).

More HIPAA Questions Answered

ATTORNEY REQUESTS FOR PATIENT RECORDS

Q: The correspondence manager at our radiology group has been receiving requests from law offices requesting patient records. There is no specific date of service that they are requesting, but they want all records of the patient, claiming they are using it for discovery. The purpose of the record is most likely for litigation purposes, but we don't feel comfortable providing them with records that may not have anything to do with the case. Are we supposed to provide them with any and all records?

A: Attorney requests for medical records are a common part of the discovery process. Requests for medical records are routinely made by either correspondence, accompanied by a patient authorization, or as in the question, by a subpoena. With regard to requesting the release of patient records from a covered entity, attorneys are required to abide by both HIPAA and the rules of civil procedure for the state in which the subpoena was issued.

Under HIPAA, specifically 45 C.F.R. § 164.512 (e), a covered entity may disclose protected health information (PHI) in response to a subpoena as long as the covered entity has received satisfactory assurance from the party seeking the information that reasonable efforts have been made to ensure that the individual who is the subject of the PHI that has been requested has been given notice of the request. Alternatively, PHI may be released if the covered entity has received satisfactory assurance that reasonable efforts have been made by the requestor to secure a qualified protective order.

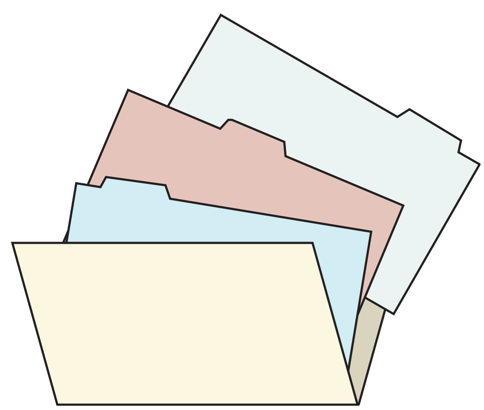
In light of the fact that HIPAA requires at least one of the above notification procedures with regard to the individual whose PHI is being requested, not to mention similar notification requirements under most state rules of civil procedure, covered entities are not required to make a decision as to the broad nature of a request. Due to the notification requirements mentioned above, the individual or the individual's representative has an adequate opportunity to object if the request is too broad or otherwise inappropriate.

NATIONAL PROVIDER IDENTIFIER

Q. I hear that the federal government will issue new identification numbers to all the providers in my medical group. Is that correct? When will these numbers be issued?

A. The Centers for Medicaid & Medicare Services (CMS) published a final rule adopting the National Provider Identifier (NPI) as the standard unique health identifier for health care providers to use in filing and processing health care claims and other transactions. Mandated as part of the Health Insurance Portability and Accountability Act (HIPAA), CMS will distribute the identification numbers after May 23, 2005 with a compliance date of May 23, 2007.

All health care providers that are covered under HIPAA will receive NPI's. The NPI will improve medical practice efficiency by eliminating the need for providers to maintain, keep track and use multiple identification numbers assigned by the many health plans with which they participate.
The NPI will be disseminated through the National Provider System, a database being developed by CMS. You can read the NPI final rule at
http://www.cms.hhs.gov/hipaa/hipaa2/default.asp



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Coming Attractions & Events

NANI BOARD MEETINGS 2004

NANI Board Meetings will be held quarterly at the Madison Street office at 4:00 p.m.

Wednesday March 24
Wednesday June 23
Wednesday September 29
Wednesday December 22

PHYSICIAN PRACTICE MEETINGS

All meetings are held at the corporate headquarters located at 855 Madison Street, Oak Park, IL unless otherwise specified. The meetings start at 6:00 p.m. with dinner served on the 4th Monday of the Month.

Monday June 21
Monday July 26
Monday August 30
Monday September 27

NANI COMPLIANCE/ BILLING TRAINING MEETING

Office managers and billers are requested to attend the next meeting on Friday, June 25th 9:00 a.m., Oak Park Business Office, 855 West Madison. Please call to confirm your attendance to Carrie Fontenot (708) 492-4531.

Odds & Ends

NEW NANI FAMILY MEMBERS -

PLEASE WELCOME.......

Desiree Alexander, Biller/Receptionist *(Dr. Huang's Office)*
Anne Allen, PA *(Elk Grove Village)*
Marquita Sanders, Receptionist *(Business Office)*
Nakicia Turner, Account Rep/Team One *(Business Office)*

WE WILL MISS YOU -

Dawn Cronin *(Business Office)* -
Dawn is home waiting for the birth of her baby (boy). Dawn worked with the NANI billing office (and FMC) for almost 7 years. Her expertise with Coordination of Benefits and her friendly smile will be missed. Good Luck, Dawn and Gene.

401K Corner: New England Financial

All participants in the NANI 401k plan (formally known as the NANI Physician Services Profit Sharing and Retirement Savings Plan) should have received information about the new website and phone number to access your account information. Since our merger with MetLife, we have been transferring all our clients to one common platform to simplify our communications now and going into the future.

The new website is www.retirelink.metlife.com and the new toll free number is 1-800-I.Got.Met (1-800-446-8638). You can access your account using your existing user ID and PIN. If you have misplaced your account PIN, please call the 800 number to get a copy sent to your address of record.

The markets have been treading water for most of this year. It is never too late to assess your risk tolerance when investing your money in the 401k plan. If you would like to learn more about our asset allocation models or you would like to review your current portfolio, please call Steve Juley at 773-864-8757 for a confidential review.

Food for thought on Risk Management:

Some participants have raised questions with regards to your current disability benefits and about providing long term care insurance for employees and their families. More information will be coming soon, but for now you may want to think about these questions:

1) Have you insured your most valuable asset?

2) Can you protect your retirement savings if you are disabled?

3) Will you and your family be able to maintain your current lifestyle if you experienced a sudden accident or illness?

4) Does your current disability coverage have the right definitions and provisions for your occupation?

5) Did you know that the leading cause of mortgage foreclosures is due to the disability of the owner?