Fax Facts

VENTURA COUNTY MEDICAL ASSOCIATION and
CALIFORNIA MEDICAL ASSOCIATION

"Advocates for patients, physicians and quality medical care"

Up-to-the-minute legislative and organizational events & issues

Administrative Office: 805/484-6822 **www.venturamedical.org** **March 15, 2017**

AMERICAN HEALTH CARE ACT SUMMARY OF KEY PROVISIONS

On March 6, the House Republican leadership introduced the American Health Care Act (AHCA), legislation that would repeal and replace several major provisions of the Affordable Care Act (ACA).

The bill was introduced in two parts—one that will be marked up by the House Energy & Commerce Committee and one that will be marked up by the House Ways& Means Committee. Both markups will occur on Wednesday, March 8. Below is a top-line summary of the key provisions in the legislation, as introduced.

- Effectively repeals both individual and employer mandates retroactively for years beginning with 2016 (by zeroing out the penalties). Individuals would no longer have to pay a tax penalty if they did not have health insurance coverage (i.e., "minimum essential coverage").
- Imposes a late enrollment penalty of 30% of premium, in lieu of the individual responsibility requirement, on individuals buying individual coverage who have had a lapse in continuous coverage for 63 consecutive days or longer during a 12-month look back period prior to the date of enrollment in new coverage. The penalty is effective for special enrollments during the 2018 plan year (and lasts for the remainder of the plan year) and for all other enrollments beginning with the 2019 plan year.
- Repeals ACA tax credits (effective 2020) and replaces them with advanceable, refundable flat tax credits adjusted for age. Annual credit amounts begin at $2,000 up to age 29, and go up to $4,000 per individual age 60 and older. Families can claim credits for up to 5 oldest members, up to a limit of $14,000 per year. Credits grow by CPI+1%, and eligibility phases out starting at income above $75,000 per year ($150,000 for joint filers). The credit can be applied to state-certified individual policies sold on or off the exchange.
- Repeals cost-sharing subsidies effective 1/1/20 to help low-income individuals pay for out-of-pocket costs.
- Modifies age-rating limit of 3:1 to allow 5:1 ratio, unless states adopt different ratios.
- Repeals Medicaid expansion program effective 12/31/19 and eliminates the enhanced match rate as of 1/1/20 (except for individuals who were enrolled through the expansion as of 12/31/19 and who do not have a break in eligibility of more than one month). Also limits the expansion state enhanced match rate transition percentage to CY 2017 levels of 80%. In non-expansion states, repeals DSH cuts beginning in 2018, and provides $10 billion over 5 years for such states for safety net funding. For expansion states, DSH cuts would be repealed in 2020. Converts federal Medicaid financing to a per capita model starting in FY2020, using FY2016 as the base year for expenditures; sets targeted spending for each enrollee category, to increase by medical CPI from 2019 to the next fiscal year. Beginning in FY2020, any state with spending higher than their specific target would receive reductions to their Medicaid funding for the following year. Provides incentives for states to re- determine eligibility for Medicaid more often.
- Adds a patient and state stability fund, which could be used to help high-risk individuals enroll in coverage and to help reduce costs for high-utilizer patients through reinsurance or high-risk pools; promote access to preventive services, dental care and vision care services, and mental health and substance use disorder services; and help lower out-of-pocket costs.
- Repeals small business tax credits.
- Provides incentives for the use and expansion of HSAs, including increasing the basic contribution limit.
- Repeals the ACA tax provisions starting in 2018, except for the Cadillac tax, which would not apply for any period beginning after December 31, 2019 and before January 1, 2025.
- Prohibits federal funding to Planned Parenthood for one year beginning with the law's enactment.
- Eliminates the Prevention and Public Health Fund after 2018 and rescinds all remaining unobligated funds as of that date.

DMHC FINDS SIGNIFICANT ERRORS IN MOST HEALTH PLANS' ANNUAL TIMELY ACCESS REPORTS

Ninety percent of health plans' 2015 timely access compliance reports submitted to the California Department of Managed Health Care (DMHC) contained one or more significant data inaccuracies, making it virtually impossible for the agency to measure health plan compliance.

California's timely access regulations require plans to maintain provider networks sufficient to ensure that consumers can get appointments within defined timeframes. To ensure that these appointment timeframes are met on a consistent basis, each health plan must monitor its own network, measure appointment availability and submit compliance reports to DMHC every year.

According to DMHC, 36 of 40 health insurers reviewed could face fines for failing to submit accurate data or comply with state rules.

DMHC said that while some data errors can be attributed to a lack of attention to detail or a failure to accurately perform basic mathematical calculations, several of the issues involve failure by health plans to follow the mandatory DMHC methodology, as required by law.

DMHC found the errors submitted by the vendor so egregious that it banned the plans from using the vendor and will require plans to use a DMHC-approved vendor moving forward.

Some of the faulty data health plans submitted included using the names of physicians that were not a part of the plan at all. For example, Aetna Health of California, Inc., greatly overinflated its reported specialist network by submitting the names of 30,000 cardiologists, dermatologists and allergists — three times higher than the number of specialists reported by any other health plan for those three provider types.

Fourteen plans also made simple mathematic calculation errors, requiring DMHC to spend significant time and resources to audit and correct data. "Errors of this type strongly suggest that health plans did not allocate the resources necessary to ensure appropriate report review and submission of accurate data, data for which they are required to attest accuracy under penalty of perjury," the report said.

According to DMHC, the serious and significant failure by California's health plan industry to ensure gathering and submission of accurate timely access compliance data has forced the agency to take steps to protect California consumers and ensure access to care as required under the law.

In an effort to gain better compliance with agency requirements, DMHC held an all-stakeholder meeting last month to discuss steps that must be taken by health plans to ensure that the 2016 compliance data—due to be submitted in March 2017—is validated and accurate.

Only four health plans submitted information without identifiable errors. Two were full-service health plans, Community Health Group and Inland Empire Health Plan. The two others specialize in behavioral health: Human Affairs International of California and Managed Health Network.

CMS AWARDS $100 MILLION TO HELP SMALL PRACTICES SUCCEED

The Centers for Medicare & Medicaid Services (CMS) has awarded $20 million to 11 organizations for the first year of a five-year project to provide on-the-ground training and education about the Quality Payment Program, established by the Medicare Access and CHIP Reauthorization Act of 2015 (MACRA), for clinicians in individual or small group practices. CMS intends to invest up to an additional $80 million over the remaining four years.

Health Services Advisory Group was awarded the contract to help small practices in Arizona, California, Hawaii, New Mexico and the U.S. Virgin Islands prepare for and participate in the new Quality Payment Program, established by MACRA.

This local, experienced, community-based organization will provide hands-on training to help to small practices (15 clinicians or fewer), especially those that practice in rural and under-resourced areas. The training and education resources should be available immediately and will be provided at no cost to eligible clinicians and practices.

According to CMS, clinicians will receive help choosing and reporting on quality measures, as well as guidance with all aspects of the program, including supporting change management and strategic planning, and assessing and optimizing health information technology.

The California Medical Association and the American Medical Association fought to include language in the Medicare reform law to provide this direct assistance to small and rural practices to help them comply with MACRA's Merit-Based Incentive Payment System and transition to new payment models. As part of that outreach effort, CMS also launched a new helpline for clinicians seeking assistance with the Quality Payment Program. The helpline can be reached by calling (866) 288-8292 from 8 a.m. to 8 p.m. EST, or emailing qpp@cms.hhs.gov.

CALIFORNIA GRAPPLES WITH 'SEVERE' DOCTOR SHORTAGE, STUDY SHOWS

California doesn't have enough doctors to handle its primary health care demands and the problem is getting worse, according to a recent article in the San Francisco Business Times about a new study by UCSF Healthforce Center.

The study, published last month, found that California doesn't have enough primary care physicians in most regions of the state. According to the study, the shortage is becoming more acute because of an aging physician workforce, a growing patient population and expanded coverage through the Affordable Care Act.

According to the study, only two regions of California (the Greater Bay Area and Sacramento) have ratios of primary care physicians per population above the minimum ratio recommended by the Council on Graduate Medical Education (60 primary care physicians per 100,000 people).

The study also found that two regions (the Inland Empire and San Joaquin Valley) have ratios of primary care physicians to population that are below the minimum required by California law for managed care plans (50 primary care physicians per 100,000 people).

Some estimates show that California will need an additional 8,243 primary care physicians by 2030 – a 32 percent increase.

In an effort to increase California's primary care physician workforce, the state legislature passed a budget in 2016 that included historic support for and expansion of primary care graduate medical education (GME)—committing to invest $100 million over three years to support primary care residency programs in medically underserved areas.

Unfortunately, Governor Jerry Brown's proposed 2017 budget takes a huge step backward, eliminating $33.4 million of that health care workforce funding and redirecting $50 million in Prop. 56 funding that was intended to go to GME programs. CA believes these budget cuts are irresponsible and make a bad situation worse.

A robust and well-trained primary care workforce is essential to meeting the health care demands of all Californians. Inadequate funding for residency programs exacerbates access problems—every year hundreds of graduating medical students don't find a residency slot in California to continue their training, forcing talented, young doctors who want to stay and practice in California to other states and communities.

CMA will be working through the budget negotiation process to restore this critical funding. We are also urging physicians, residents and medical students to ask their legislators to oppose Governor Brown's budget proposal to eliminate physician workforce funding.

PHYSICIANS TARGETED BY IDENTITY THEFT TAX SCAM

CMA has received reports from physicians that fraudulent federal income tax returns have been filed using physician names, addresses and social security numbers. In many cases the fraudulent tax return includes the name of an unknown person listed as the physician's spouse. Sometimes, this other name is a prior patient of the physician.

Affected physicians are likely to learn of the scam by receiving a 5071C letter from the IRS alerting them of possible fraud. Physicians may also have received a rejection notification when attempting to electronically file their taxes. This occurs because a return has already been filed using that social security number.

If you learn that your identity has been compromised in this way, act quickly and consider the following steps.

IRS – Contact the IRS through its identity theft website, or by phone at (800) 830-5084, to let officials know you have been a victim of this scam. If you have been unable to electronically file your return this year, you should still file a paper return and attach an IRS 14039 Identity Theft Affidavit to describe what happened.

Also attach copies of any notices related to this issue that you received from the IRS, like the 5071C letter. Be sure to also notify your tax preparer. Verify with the IRS and your tax preparer where to mail your paper tax return, based on the type of return you are filing and your geographic area.

If you have not received a notice from the IRS but believe your personal information may have been used fraudulently or are concerned about whether you may have been victimized, call the IRS Identity Protection Specialized Unit at (800) 908-4490. Additional information is available on the IRS website.

Office of the California Attorney General – Physicians affected should register the identity theft with the California Attorney General. Not only is the Attorney General's website a great resource for identity theft victims, but more information about the victims of this tax scam makes it more likely that an investigation could determine the source of the scam.

FTC – File a complaint with the Federal Trade Commission (FTC). This not only helps the FTC identify patterns of abuse, but the printed version becomes your "identity theft affidavit." That affidavit, along with a police report, constitutes your identity theft report, which you will need for the IRS. The FTC also recommends several other immediate steps to take and provides relevant helpful information on its website.

Police Report – Consider filing a report with the local police in the jurisdiction where you reside. Bring with you all documentation available, including the state and federal complaints you filed. This will likely be necessary if there is financial account fraud as a result of the identity theft. However, if the only fraud is tax fraud, the police report is likely unnecessary unless specifically requested by the IRS.

Social Security Administration – Call the Social Security Administration's fraud hotline at (800) 269-0271 to report fraudulent use of your Social Security Number. To find out if your number is being used for fraudulent employment, you can also request your Personal Earning and Benefits Estimate Statement from the Social Security Administration website or by phone at (800) 772-1213. Make sure to check the report for accuracy.

Financial Accounts – Physicians should also consider taking steps to protect their various financial accounts, such as running a credit report or placing a credit freeze on any existing credit cards. The FTC, Attorney General and DOJ websites referenced above provide several suggestions on how to protect your financial interests in the event of identity theft.

Additional Information – The U.S. Department of Justice website has additional information about identity theft and fraud.

CMA will continue to monitor this fraudulent tax scheme and keep physicians up to date. If you have been a victim, and may have information to help us determine the scope of the situation, please contact the CMA Center for Legal Affairs at (800) 786-4262.

DHCS EXTENDS REPORTING DEADLINE FOR 2016 MEDI-CAL MEANINGFUL USE

The California Department of Health Care Services (DHCS) has announced that it will extend the deadline for Medi-Cal meaningful use reporting for the 2016 program year. The deadline has been pushed back one month to May 2, 2017. After that date, DHCS will only accept 2017 attestations.

The Medicaid Electronic Health Record (EHR) Incentive Program provides funding to Medicaid (Medi-Cal in California) providers and hospitals to adopt, implement, upgrade and make meaningful use of certified EHR technology. Eligible providers should be aware that 2016 is the last year that eligible providers can sign up for the program. Providers who have not received at least one incentive payment by the end of the 2016 reporting year won't be able to receive any EHR incentive program payments in the future.

DHCS's announcement comes a week after the Centers for Medicare and Medicaid Services also extended its 2016 reporting deadline for Medicare meaningful use.

A few other reporting changes were also announced for 2017. DHCS will only accept meaningful use reporting for Stage 2 this year and all clinicians can report Stage 2 no matter how many times they have submitted Stage 2 attestations in the past.

Providers will also have the option to report Stage 3 meaningful use beginning October 24, 2017. Providers who have previously attested to meaningful use will be required to use a full year reporting period for clinical quality measures in 2017. Providers who have never attested to meaningful will be able to able to use 90-day reporting periods.

CLASSIFIEDS

Free listings for VCMA members. Submit ad info to: marycarr@venturamedical.org

PRACTICE OPPORTUNITIES

Simi Valley- MD or DO needed ASAP 1-2 days per week 12 hour shifts at Med Center, possible 1 weekend per month. Please contact Denice @ 805-583-5555 ex 26 or email admin@medcenterofsimivalley.com

Camarillo - Office with two to three exam rooms to share. Part time or full time. Affordable and flexible. Please contact (805)383-2929.

Simi Valley – full time FP MD needed at the Med Center. Hours are Monday 8am-8pm, alternating Tuesdays 8am -8pm, Fridays 8am -8pm and every other weekend 9am-5pm. Call Denice (805)583-5555 ex 23, or send resume: admin@medcenterofsimivalley.com

Thousand Oaks - Sublease up to 4 days per week; 7 exam rooms in prof. bldg. Please call Lynn at (805)482-8989

Thousand Oaks - 2700 SF office with large procedure room and recovery area, and 4 exam rooms. Available Mondays and Tuesdays 8 AM to 12 noon; Wednesdays 2 to 6 PM. More info, visit www.AGImedical.com

Ventura – For Lease: 500 sq.ft. Beautiful medical office on Brent St. (805)258-2059 ext.2447 for info.

Westlake Village – Remodeled, medical office for sublease. Available up to four days a week. (818)438-5997 Brisbeee@aol.com

FOR SALE

Established Medical Practice for sale Brian Tamura, Md at 805-983-0897

OB/GYN Equipment - Colposcope, microscope, cryo gun, surgical and colposcopy instruments, speculum lights (Welsh Allen), chart racks, exam table,

stools, office chairs, waiting room chairs, 10 station business phone system, endometrial samplers, ultrasound, leep system. Call (805) 535 4422

Closing Practice Sale - Family practice medical equipment for sale. Equipment includes exam tables, chart files, MidMark M9 UltraClave, AT-2 plus Schiller/WelchAllyn ECG recorder, printers and other equipment associated with family practice medicine. Call for pricing (805) 525-5518.

Pediatric Practice Equipment - Vaccine 4.3 cubic ft. refrigerator-freezer combo; paid $1499, only used 4 months. (Best offer) WelchAllyn Rectal thermometer. $100 2 different sizes pediatric Aneroid Sphygmomanometers; $30 ea. or $50 both. SECA newborn scale $70
X-acto paper trimmer $40
Email: spa.pinzonarellano@gmail.com

James Villveces, MD Closing Practice
4080 Loma Vista Rd., #M, Ventura
All furniture and medical devices for sale: walnut desk, chairs, sofas, aquariums, book cases, exam tables, lamps, spirometer, metal storage cabinets, 176 volumes medical library, patch test kits. HEPA filter fume hood, deluxe industrial fridge, paper cutter, copier, much more.

Pediatric weight machine for sale.
Never used but a bit older (not digital) Detecto, Model 253 Pediatric scale
Capacity: 41 lb x ¼ oz
$250.00
Contact Terry Yingling at 805-446-4444, Ext. 209

Moving

Antonio Ruelas, MD has moved to:

Premiere Health Center
258 E. Harvard Blvd.
Santa Paula 93060
525-8622 phone

525-1870 fax

MARK YOUR CALENDAR

April 18 CMA Legislative Advocacy Day Sheraton Grand, Sacramento. Contact marycarr@venturamedical.org for more information

May 5-7 Western Health Care Leadership Academy Marriott Marquis San Diego Marina. For more info: www.westernleadershipacademy.com.

CMA WEBINARS

Your VCMA/CMA membership gives you free access to both live and on-demand webinars updating you and your staff on key issues affecting physicians. Upcoming webinars include:

March 29: CMA Legislative Advocacy Day Webinar Training 12:15pm-1:15pm

April 12: Implementing Strategies to Enhance Advance Care Planning 12:15pm-1:15pm

Past Webinars can be viewed On-Demand for FREE in the CMA Resource Library.

Online CME: new online CME platform from CMA's Institute for Medical Quality (IMQ) provides access to AMA PRA Category 1 Credit™. Easy tracking of course participation and credit. Discounts for CMA members. Catalog and register for courses at http://imq.inreachce.com.

MEMBER BENEFITS HI-LIGHTS

Featured member benefit

Insurance Programs: Open enrollment time is now, so whether your rates are going up or you simply want to know your options, it's time to think about your health coverage for 2017. Through the Health Insurance Program with Mercer, California Medical Association (CMA) members – individual policyholders and members of a group health plan – have access to best-in-class insurance programs that are customized to fit their specific needs.
NEW Workers Comp Preferred plan, members receive 5% discount off premium. Many members' savings equal to VCMA/CMA annual dues.
For more information, contact Mercer at (800) 842-3761 or CMACounty.Insurance.service@mercer.com, or visit www.CountyCMAMemberInsurance.com.
Mercer Health & Benefits Insurance Services LLC • CA Insurance License #0G39709-75290 (10/16) • Copyright 2016 Mercer LLC. All rights reserved.
777 South Figueroa Street, Los Angeles, CA 90017 • (800) 842-3761 • www.CountyCMAMemberInsurance.com • CMACounty.Insurance.service@mercer.com
Contact: CMA member help center, (800) 786-4262 or memberservice@cmanet.org.

homepage link: www.venturamedical.org
click on MIPS Navigator icon link:

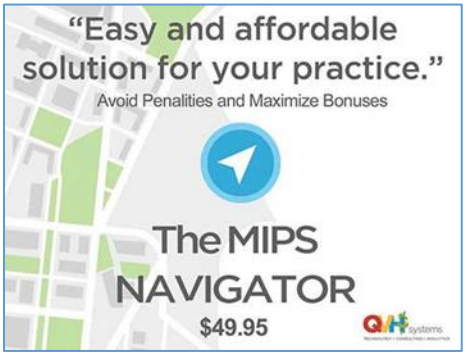
MOST REQUESTED MEMBER BENEFIT

Resume Service: Call 484-6822 or email julie@venturamedical.org to request resumes to fill practice personnel positions. 100's on file. FREE to members.

Professional Liability:

THE DOCTORS COMPANY

has been endorsed by VCMA for the past 15 years. For quote or questions contact: MLawrence@thedoctors.com



The MIPS Navigator™ is an online tool that makes it possible for individual clinicians or practice administrators to quickly and easily sort through the various MIPS alternatives and produce a practice specific "2017 MIPS Itinerary/Plan" for each of the 4 MIPS domains that will maximize their likely MIPS success.1. A step-by-step guide to maximize your score.

2. Continued access to the MIPS Navigator FAQs and list serve through 2017.

3. The ongoing ability to update your plan.

Regular $69.95 for 1 year subscription, only $49.95 through VCMA website homepage link: www.venturamedical.org click on MIPS Navigator icon link.

Endorsed by VCMA.