REVINT SOLUTIONS INSIGHTS

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New Patient Medicare Identification Numbers – Are You Ready?

To Our Healthcare Clients and Friends:

This issue of IMA Insights seeks to provide a comprehensive discussion of the new Medicare Beneficiary Identification numbers that will impact all providers and will focus on implications now and in the future. These changes could potentially negatively impact providers by hundreds of millions of dollars!

BACKGROUND

The Government Accountability Office has been urging officials as far back as 2004 to cut back on the use of Social Security Numbers (SSNs) for identification. On April 16, 2015, the Medicare Access and CHIP Reauthorization Act of 2015 was published. It requires CMS to remove SSNs from all Medicare cards. All Medicare beneficiaries will receive a new Medicare card with a unique Medicare Beneficiary Identifier (MBI) by April 2019. This will replace the current Medicare Health Insurance Claim Number (HICN).

An MBI generator will be created and activated on January 1, 2018 to begin assigning MBI to all Medicare beneficiaries. Between April 1, 2018 and April 1, 2019, CMS will conduct a phased approach to issuing the new Medicare cards. Provider systems must be ready to accept the MBI on April 1, 2018. Also, between April 1, 2018 and December 31, 2019, Medicare will accept both the current HICN and the new MBI. On January 1, 2020, the current HICN will no longer be accepted.

CHALLENGES

The initiative to remove SSNs from the Medicare card and replace it with the new MBI poses several challenges:

- It is likely that CMS will struggle to find the resources to enact these changes without any hiccups. Medicare has reported that its' top specialists are bogged down building and repairing the troubled HealthCare.gov website
- CMS will simultaneously replace the SSN based Medicare numbers of people currently enrolled in Medicare AND assign new ones to the estimated 10,000 daily new enrollees as well as all deceased beneficiaries
- Reportedly over 75 different systems will be affected by the change from a HICN to an MBI
- There will also be a significant impact to providers and their systems. Being able to accept and process the new MBI will be imperative from a revenue cycle standpoint

CHALLENGES CONT'D...

In speaking with some our clients, the initial commentary is that "we've talked about it" and "our vendors will take care of it". But when the day-to-day operations and daily challenges are discussed, there are many unknowns and concerns that arise.

Starting on October 1, 2018, the remittance advice will contain the MBI of the beneficiary within the same loop that contains the "Changed HICN". Providers will have to track the identifier that was originally submitted in the event a claim needs to be adjusted or appealed. Ironically enough and in the meantime, CMS recommends that beneficiaries should not carry their current Medicare card with them. At this time, CMS does not plan on returning the new MBI within the eligibility system when submitting eligibility requests using the HICN.

Think about the use of the HIPAA Eligibility Transaction System (HETS) and having the ability to determine a beneficiary's HICN being taken away! There is discussion of a "portal" being created some time in June of 2018 which will be designed by each individual Medicare Audit Contractor (MAC). Providers will need to have the patients first and last names, social security number, and date of birth in order to get the patients MBI. It is still very unclear as to what this portal will look like and again will cause providers to be reactionary.

In many cases, if there is no HICN or in the future no MBI, claims submitted to Medicare will not be adjudicated and therefore no provider payments. Medicare Advantage beneficiaries will also be affected as the importance of capturing the new MBI will impact a teaching provider's ability to submit claims for Medicare Indirect Medical Education/Graduate Medical Education ("IME/GME"). In a random sampling of 5 of our clients, this could mean between $20M to $25M a month of Medicare Advantage IME/GME payments would be at risk. On the non-teaching provider front, a no-pay claim won't be able to go out the door. This, if ever enacted for compliance purposes, could impact Disproportionate Share Hospital ("DSH") payments. In previous years, CMS asked non-teaching providers to "attest" that they were in fact submitting these no pay claims. Again, the initial impact could cause a significant disruption to revenue and cash flow adding up to millions of dollars to providers!

INSIGHTS

The goal for providers is to put steps into place during this transition in order to minimize the financial and operational burdens that these changes could cause. Our experience suggests providers must start planning now to ensure they are ready for the transition to the new MBI. Providers should:

- Take inventory of the systems and reports that will utilize the MBI and ensure the systems will accept the new MBI
- Work with your patient access department to implement steps to avoid pitfalls, such as:
    - o Develop a practice that will ensure a higher rate of success in recording the MBI while the patient is being registered
    - o Collecting the MBI for Medicare Advantage beneficiaries and ensuring there is a process to store these numbers in your medical record system
    - o If you use a Medicare eligibility service like Passport, ensure that the service is ready to ad dress these issues
    - o When registration calls patients to verify appointments, include a reminder to bring the new MBI card with them

INSIGHTS CONT'D...

- Providers must make an additional effort to record the MBI when a patient is at the provider because after a patient is discharged it will be even harder to determine the MBI
- Because there have been no plans to compensate providers for the cost of updating their systems, it is important that providers begin planning as soon as possible to mitigate future costs. If you have not already done so, contact your vendors and clearinghouses to ensure they are prepared with their respective systems
- Continue to be vocal as a provider community on the CMS Open Door Forums with respect to MBI
- Contact and lobby your government representatives, CMS, and respective MACS to ensure these processes and systems will be in place to ensure your payments won't be affected
- Provide informational materials and notifications to beneficiaries so that they are aware of these changes and the impact that the changes bring

If hospitals are not proactive and do not get ahead of these changes, they will unfortunately have to pay for changes to systems and processes and assume the burden and risk once the changes go into effect. There is no plan that CMS will put into place any remediation to help offset any financial impact to the provider - it is your responsibility to address any costs associated with implementation.

SUMMARY

Although there are several challenges with enacting the changes to the Medicare numbers, providers are in position to be successful with this roll-out. Providers need to be aware and recognize the impact outside of this being a technology only risk. You should start having meaningful discussions on how this will affect the organization. By being thoughtful in the areas that will impact the revenue cycle, solid planning can overcome these challenges. The key is to get ahead of the change rather than waiting until the 11th hour. If providers take a proactive practical approach, it will assist and mitigate unwanted disruptions to the revenue cycle and help ease the challenges that will arise.

We are pleased to have this opportunity to present this information to you. If you have any questions or require assistance, please feel free to contact me at (215) 514-0951.

Truly Yours,
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Meet the Author | Mario Feher

Mario has over 17 years of experience exclusively in the healthcare industry including finance and operations. He has a deep understanding of third party reimbursement issues and extensive experiences in revenue recovery. Additionally, he has provided process improvement services surrounding labor and non-labor areas within hospital organizations. Mario also implemented expected reimbursement systems and identified payment discrepancies as well as modeled complex managed care contracts.

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