



UPDATE

PRACTICE MANAGEMENT

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2008 Brings Many Changes to Medicare



As this article is being penned, word arrives that the U.S. Senate and House of Representatives passed a bill that grants a six month delay to the proposed 10% reduction in Part B payments, replacing it with a 0.5% increase. President Bush is expected to sign this bill into law. Unless another intervention occurs, the original payment reduction will go into effect July 2008.

MEDICARE PHYSICIAN PAYMENT PROVISIONS

Unfortunately these actions do not address the Medicare Payment Advisory Commission's (MEDPAC) forecast of additional decreases for 2009 and beyond. If there is no action taken by Congress, the payment that you

receive for Medicare services for 2008 will be lower than the actual dollar payment in 1999, despite the fact that your costs have increased approximately 42.5% since that time. It is predicted that an increasing number of physicians will either completely leave the Medicare program, or limit acceptance to established patients currently enrolled and stop accepting new Medicare patients.

The proposed decrease in Medicare reimbursement poses a challenge for all practicing physicians. It is not too late to contact your senators and representatives in Washington and urge them to permanently halt the planned decrease. Also, individual specialty associations should be lobbying hard on your behalf. Make certain that they understand your feelings on this situation.

With pending changes such as these, now is the time to evaluate your practice from many angles. Are you appropriately staffed - that is, finding the right balance to ensure high provider productivity without creating idle staff time? Does it make more sense for you to outsource billing and collections or transcription rather than retain this process and associated costs internally? Have you talked to your local phone carrier to determine if you can save by adjusting your phone plans to better match your needs? When was the last time you put supplies (medical and office) out for bid? Does it make more sense to hire a physician's assistant or nurse practitioner than it does to hire a new physician? And don't forget the revenue aspect. Are you appropriately documenting and coding for your services? Are the people and processes in place to ensure you are collecting all that you're entitled to? Do you know how to assess this important aspect and others? If not, our consultants are available to assist you through a billing and collections, coding, or operational consult. These services always provide a significant return on investment.

Contact your Gates, Moore & Company representative for more information on these and other services by calling 404.266.9876.

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Are You I-9 Compliant?



On November 7th the U.S. Citizenship and Immigration Services (USCIS) released a new Form I-9 (rev. 6/5/07) Employment Eligibility Verification and new employer guidance, Handbook for Employers, Instructions for Completing the Form I-9.

CHANGES

The new forms removed five documents from the list of acceptable documents and added one. The form is available in English and Spanish, but employers in the 50 states and US territories except Puerto Rico must use the English version for record retention. Instructions on the new form indicate an employee is not obligated to provide the Social Security Number in section I unless the employer participates in E-verify, and there is guidance about photocopying and retaining the form and electronic signatures. All previous forms of the I-9 are no longer valid.

IMPLEMENTATION

You do not need to complete the new form for your existing employees unless you need to re-verify for other reasons. (If you have never completed I-9s, you should do so now for all current and future employees.) However, you must use the new form for all employees hired or forms completed after November 7, 2007. Remember that you cannot tell an employee which form of identification to present; they can choose from acceptable forms as identified on the form itself.

PENALTIES

Employers have long been required to verify that an employee is eligible to work in the United States by reviewing certain documents proving that eligibility. Failure to have a completed and signed I-9 for each employee including physicians/owners could result in up to a \$1,100 fine per failure. This includes completing the employer sections in addition to the employee sections. There are also penalties for hiring unauthorized aliens with monetary penalties from \$275 - \$11,000 per occurrence.

RETENTION

Completed I-9s should be retained in a file separate from the employee's personnel folder. Forms must be retained for three years past the date of hire or one year past the date of termination, whichever is later. Forms can be stored in a paper or electronic format, must be secured, and must be produced within three days of a request if stored off site. It is up to you whether you wish to retain copies of documentation reviewed. If you wish to retain copies, however, you must do so for all individuals employed after the date you implement the policy - you cannot retain copies on a case by case basis. Finally, remember that theft of employee information is one of the leading causes of identity theft; if you retain copies of documentation, special precautions should be taken to ensure the information is stored in a secure location.

RESOURCE

Visit www.gatesmoore.com to download the new I-9 Form and Employer Handbook as well as link to USCIS's website for additional information.

Mileage Rates Change for 2008



In November the Internal Revenue Service issued the optional standard mileage rates that may be used to calculate the deductible costs of operating an automobile for business, charitable, medical, or moving purposes.

- Beginning January 1, 2008 the standard mileage rates will be 50.5¢ per mile for business miles driven, up from 48.5¢ per mile in 2007.
- 19¢ per mile driven for medical or moving purposes, down from 20¢ per mile.
- 14¢ per mile driven in the service of charitable organizations, unchanged from last year.

Note that these various categorical rates represent the maximum deduction per mile for operating a vehicle and are entirely optional.

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Mileage Rates Change for 2008 *(continued from Page 2)*

OTHER IMPORTANT IRS CHANGES FOR 2008

In October 2007, the IRS announced the 2008 Cost of Living Adjustments applicable to dollar limitations for retirement plans and other items.

401(K) PLAN LIMITS	2008	2007
401(K) Elective Deferrals	\$15,500	\$15,500
Catch-Up Contribution Limit	\$5,000	\$5,000
Annual Defined Contribution Limit	\$46,000	\$45,000
Annual Compensation Limit	\$230,000	\$225,000
NON 401(K) RELATED LIMITS		
403(b)/457 Elective Deferrals	\$15,500	\$15,500
SIMPLE Employee Deferrals	\$10,500	\$10,500
SIMPLE Catch-Up Limit	\$2,500	\$2,500
SEP Annual Compensation Limit	\$230,000	\$225,000
Social Security Wage Base	\$102,000	\$97,500

The retirement plan’s annual adjusted dollar limitations as published by the IRS are normally determined based on the inflation data provided by the Bureau of Labor Statistics as published in the Consumer Price Index. Notable changes include the increase of the Social Security Wage Base to \$102,000. Other indicators are provided for your convenience.

If you have any questions or require additional information regarding retirement plan limitations, or any other retirement plan needs, contact Chris Costelloe, Mark Estroff, or Greg Gates, all Principals in our Tax and Accounting Department at 404.266.9876.

Get a Customized Website for Your Practice



As patients turn to the internet for their healthcare needs, it is more important than ever for physicians to have a web presence. Gates, Moore & Company’s web design services are tailored to your practice and will serve as the foundation for your internet marketing and patient communication efforts.

Go to www.gatesmoore.com/portfolio.html for more information about what is included in each package and to take a look at our portfolio of websites.

STANDARD PACKAGE \$1,050

Digitization of logo or practice name

Pages about your practice, contact information, practice philosophy, office hours

Original graphics; Images and general photos to enhance the look of the site (also photos that you submit of you/staff)

General marketing for search engine optimization

Statistics counter to show information on visitors to your site and Copy writing the site

DELUXE \$2,700

Everything in the Standard Package plus: Downloadable registration form for patients

FAQ’s and Biography page for each doctor

Liability Statement and Privacy Policy

ELITE STARTING AT \$4,850

Everything in the Standard and Deluxe Packages plus: Feedback form and Online forms that patients can fill out

Search functionality for your site

Appointment scheduling (will research and link to third party source) and Online payments

Informational surveys

All additional work, including maintenance, at \$100 per hour.

For more information call 404.266.9876 and ask for Mouzhan Mangum or email mmangum@gatesmoore.com.

Company News



TYNAN (PERSCHBACHER) OLECHNY REJOINS GATES, MOORE & COMPANY

Tynan Olechny rejoins Gates, Moore & Company after spending the past three years specializing in oncology practice consulting. Tynan holds a Masters in Public Health from Emory University. She has substantial experience in developing and implementing strategic plans related to the practice of oncology, orthopaedics, and other specialties. Feasibility studies for new service lines and medical staff development planning are also core skills.

CONSULTING STAFF PROMOTED

We are pleased to announce that Lisa Eavenson has been promoted to Senior Consultant. Lisa joined Gates, Moore & Company three years ago and during that time has worked on projects involving practice establishment of new physicians for various hospital systems, operational assessments of medical practices, and assisting practices in IT selection. She has also lectured nationally for the American College of OB/GYN's and other organizations on IT selection and other topics. Lisa is a Certified Medical Practice Executive and is completing her certification in Information Technology. Please join us in congratulating Lisa on her promotion to Senior Consultant.

Allison Wilson has been promoted to Staff Consultant. Allison joined Gates, Moore & Company four years ago and during that time has developed a specific skill-set in human resources becoming certified as a Professional in Human Resources (PHR) and establishing a membership in the Society of Human Resource Managers. Allison is also a member of Healthcare Financial Management Association. She works with our clients specifically in the area of recruitment of new staff. She has also worked with numerous hospital systems enabling them to establish newly recruited physicians. As well, she has become involved in operational consulting for medical practices. Please join us in congratulating Allison on her promotion to her new position.

NEW STAFF JOIN GATES, MOORE & COMPANY

Please join us in welcoming the following staff members to our team!

- Christina (Tina) Burgess, Staff Accountant
- Latasha Flanigan, Staff Accountant
- Tracy Pope, Consulting Coordinator
- Dmitry Zakatsiolo, Staff Accountant

*Update: Practice Management
is published quarterly for clients by
Gates, Moore & Company
Your questions and comments may be
directed to:*

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