Bruce Vladeck rec'd memo and is following up w/ Tisdale directly. I phoned Tisdale to let him know Vladeck will call him soon.

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File

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OF COUNSEL
ALSTON JENNINGS
GEORGE E. LUSK, JR.

April 12, 1993

Re: Venture Resources, Inc.

Ms. Carol Rasco
Director, Domestic Policy Council
THE WHITE HOUSE
1600 Pennsylvania Avenue
Washington, D.C. 20500

follow up on this w/ Vladeck

Dear Carol:

Thank you very much for making time in your busy schedule to visit with our clients, Venture Resources, Inc., Sam Jones, Doug Buford and me. As always, you were most gracious.

As Sam Jones mentioned in our meeting, we spent a good deal of time reviewing the work and proposals of Venture Resources, Inc. and questioning their ideas before determining that it was a proposal with significant potential benefits for the Administration. We look forward to the opportunity to have follow-up meetings with some of your staff members or with the new Director of HCFA.

I hope that you had a wonderful Easter and was able to spend some time with Terry, Hamp and Mary-Margaret. It must have been very difficult (even with all of the available communications) to be separated from your family. Again, thank you very much for your kind consideration.

Cordially yours,

WRIGHT, LINDSEY & JENNINGS

John

John R. Tisdale

JRT/blm

THE WHITE HOUSE

WASHINGTON

April 7, 1993

MEMORANDUM FOR BRUCE VLADECK, ADMINISTRATOR DESIGNATE

FROM: Carol H. Rasco, Assistant to the President for Domestic Policy

SUBJECT: Venture Resources, Inc.

Recently our office was contacted by three attorneys of the Wright, Lindsey & Jennings firm in Little Rock, Arkansas. This is a well-established law firm in Little Rock and one which President Clinton served "Of Counsel" during 1981 through 1983, at which time, he was out of the Governor's Office.

Wright, Lindsey & Jennings had been approached by Venture Resources, Inc. to obtain an appointment with individuals in the Clinton Administration to discuss a program that they believe can result in a 6% current reduction in Part B costs. I have enclosed for you the original letter sent to me by John Tisdale of the law firm, and a packet of the materials used in the Venture Resources presentation in my office, as well as a follow up letter from Venture Resources.

I have told Dr. Root and other representatives present from Venture Resources whose cards I have enclosed for you as well as the attorneys from Wright, Lindsey & Jennings that I would forward this material to you for your review -- both in the context of the Health Care Reform process as well as the potential for immediate consideration of this project.

As always, I leave this entirely to your discretion as to any concrete action, but I do respectfully request that you give Venture Resources representatives an opportunity to make a presentation to you. Prior to calling Dr. Root, if you could let John Tisdale of the law firm know you will be calling to arrange this, he may wish to help coordinate. John's phone number is (501)371-0808.

If I can answer any further question, please do not hesitate to contact me.

Thank you.

WRIGHT, LINDSEY & JENNINGS
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FAX COVER SHEET

DATE March 16, 1993

TOTAL NUMBER OF PAGES 3 **(INCLUDING COVER SHEET)**

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FIRM: THE WHITE HOUSE
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FROM: John R. Tisdale **Our Telecopy No.: (501) 376-9442**

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VIA TELECOPIER: (202) 456-2878

March 16, 1993

Re: Medicare, Part B, Cost Savings

Ms. Carol Rasco
Director, Domestic Policy Council
The White House
1600 Pennsylvania Avenue
Washington, D.C. 20071

Dear Carol:

I am writing you at Bruce's suggestion, both because of your position as Director of the President's Domestic Policy Council and because of your experience with and interest in Medicare reimbursement issues. For about a month we have been learning about HCFA and Medicare, Part B, reimbursement and reviewing a program proposal sent to us by a client.

Our client is Venture Resources, a small Chicago-based company headed by Dr. Charles Root. Dr. Root and his company perform various consulting activities for medical providers, focusing primarily on Part B reimbursement. The Company publishes a comprehensive technical manual showing Part B providers "how to" submit accurate and proper claims for reimbursment. The Company also provides technical consulting for medical product development and claims auditing services to medical providers.

Venture Resources believes that its program can result in a 6% current reduction in Part B costs and can avoid potential growth in costs resulting from "gaming." The program applies to all of Part B, but our client suggests a pilot project focusing on medical lab reimbursements. In this area alone, our client believes its program can lead to actual savings of about $500 million in one year. Based upon its experience in auditing and consulting with many medical labs, our client is convinced that these savings can be accomplished without reducing medical services.

The other significant benefit to the Administration is that Part B providers should not be opposed to this program. The program involves identifying and defining as line items each

existing medical action, technology, method and result in language that is understood by the "grassroots" providers and tying each line item to a single payment code. The benefits to the providers are clear coding instructions, fewer claim rejections, more efficient billing and faster collection.

We would like the opportunity to come to Washington with our client to discuss this proposal with you. Our client discussed this program with certain senior HCFA officials of the prior administration and was met with very little understanding of the problems, and even less enthusiasm.

Thus, our client does not believe that HCFA can or is interested as an agency in accomplishing this as a purely governmental exercise. Nor do we believe that the government could effect these revisions and transitions as quickly as the private sector can. Accordingly, we wish to discuss with you and others an appropriate contract, with specific current savings guarantees, which our client believes would result in first year savings of approximately $500 million dollars for medical laboratories alone and to then be considered to replicate this program in other areas of Part B reimbursement. Our client believes the ultimate annual savings under Part B could be as much as $8 billion dollars without reduction in services.

We have discussed this concept with representatives of providers and allied groups and organizations. We have been uniformly told that a modest reduction in provider reimbursement would be a welcome trade-off if the present confusion, errors and delays in reimbursement are greatly diminished. Accordingly, we believe that this is a matter which warrants attention as soon as possible and would nicely compliment the measures presently under consideration for overall reduction in health care costs.

My partner, Sam Jones, and I will be in Washington on March 23 for other meetings and could arrange for our client to be available on that date or on March 24 if that would fit your schedule. We look forward to hearing from you at your first reasonable opportunity.

Cordially yours,

WRIGHT, LINDSEY & JENNINGS

John R. Tisdale

K:bbn1351.027

WRIGHT, LINDSEY & JENNINGS
ATTORNEYS AT LAW

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FAX COVER SHEET

DATE March 17, 1993

TOTAL NUMBER OF PAGES 2 **(INCLUDING COVER SHEET)**

PLEASE DELIVER THE FOLLOWING PAGE(S) TO:

TO: Ms. Rosalyn Kelley
FIRM: THE WHITE HOUSE
TELECOPIER NO.: (202) 456-2878

FROM: John R. Tisdale **Our Telecopy No.: (501) 376-9442**

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Via Telecopier: (202) 456-2878

MEMORANDUM

TO: Rosalyn Kelley

FROM: John Tisdale JRT

DATE: March 17, 1993

RE: Meeting with Ms. Carol Rasco

Thank you for your assistance. This will confirm that representatives from Venture Resources, Inc. and attorneys from our office will meet with Ms. Rasco for approximately 30 minutes beginning at 10:30 a.m. on March 23, 1993 at the White House. The following persons from Venture Resources will be in attendance:

Name	Birthdate
Dr. Charles Root	September 3, 1942
Mr. Ray Wilson	September 20, 1935
Ms. Leah Wilson	July 3, 1952

In addition, the following three (3) persons from Wright, Lindsey & Jennings will be in attendance:

Name	Birthdate
M. Samuel Jones	June 30, 1951
John R. Tisdale	April 2, 1946
C. Douglas Buford	April 15, 1948

It is possible that only two members from Wright, Lindsey & Jennings will be present. I will let you know whether to expect 5 or 6 people total.

This will confirm that we will enter at the Northwest Visitors' Gate and each person will have at least one piece of photo identification in order to receive clearance for the visit.

K:blm1336.027

Should you change this? I asked Debbie and was told the West Lobby is for anyone w/appt. in West Wi

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April 8, 1993 -- FAXED TO: 202-456-2878 -- 10 Pages

SUBJECT: Medicare, Part B, Cost Savings -- Venture Resources Proposal

Ms. Carol Rasco, Director, Domestic Policy Council
The White House
1600 Pennsylvania Avenue
Washington, DC 20071

Dear Ms. Rasco:

Thank you again for taking the time to meet with us March 23rd. Doug Buford, Sam Jones and John Tisdale have suggested that we provide you with examples of potential savings in a couple of other Sections of Medicare Part B in addition to the two Laboratory examples we provided at the meeting. Examples in Radiology and Pathology with the original Laboratory examples are attached. Included are the added proposed solutions to these problems along with rough estimates of their respective Section reductions.

As in the Laboratory Section, opportunities for reduction in Medicare payments under the Resources Based Relative Value System (RBRVS) fee schedules arise primarily from multiple coding options (multiple choice gaming opportunities) and lack of clear delineation and definition. Further, in many cases, payment policy is left to the discretion and decision of individual carriers for interpretation, often resulting in the illogical, not to mention, great expense to Medicare. The system is caught in a paralysis of not knowing or understanding that cost effective action needs to take place at the "Grass-Roots" level.

We can move quickly to identify substantial savings. At the same time, we will eliminate confusion and establish a defined, controlled system.

We look forward to the opportunity to proceed on this project. If there is anything we can do to advance this effort, please let us know.

Sincerely,
VENTURE RESOURCES

By Charles B. Root L. Raycroft Wilson M. Leah H. Wilson

Dr. Charles B. Root
L. Raycroft Wilson
M. Leah H. Wilson, R.N., B.S.N.

CBR,LRW,MLHW/lak -- Enclosures

EXAMPLE I

A physician orders the following 19 common blood tests as part of a diagnostic workup for a patient in Illinois.

ALT	Chloride	Cholesterol
Creatinine	Glucose	Albumin
AST	Direct bilirubin	Total bilirubin
Calcium	Carbon dioxide	LDH
Phosphorus	Potassium	Total protein
Sodium	BUN	Uric acid
Alk.Phos.		

Under 1992 coding rules the above tests, all of which are classified as automated multichannel chemistry tests, must be submitted and paid by Medicare using the following single code:

		Medicare Payment
80019	19 or more automated multichannel tests	$17.21

1993 coding rules include a newly defined "liver panel" (CPT code 80058) which includes the following five tests

Albumin, ALT, AST, Alk. Phos., and Total Bilirubin.

		Medicare Payment
80058	Hepatic panel	$18.26

HCFA's "unbundling rule" states that it is abusive to "unbundle" such panels and bill the individual component tests. In addition the CPT states that when using a liver panel, any additional tests are to be listed separately.

Thus, when the 19 automated tests above are submitted to Medicare one would logically use the following two codes:

		Medicare Payment
80058	Hepatic panel	$17.68
80018	14-16 automated multichanne tests	$16.56
	Total	$34.24

In this case Medicare payment would increase by $15.98 each time such a panel is submitted for payment in Illinois.

This example assumes that the fee schedule amount for code 80058 will be capped by HCFA for 1993 at the average of all carrier's fees or $17.68. If HCFA does not cap such newly defined codes (they have not yet instructed carriers concerning this matter), payments will increase even more.

Panels such as the above are among the most commonly submitted claim for lab tests, millions of claims are processed and paid each year. CPT code 80019 is the most common laboratory procedure submitted to Medicare for payment. The economic impact from the above example could be over $60 million per year.

Laboratory example I, 19 automated tests

The following expansion of the "unbundling" rule would be stated regarding panel and profile coding:

In any combination of tests, all automated chemistry tests must first be bundled together and coded as such. Automated tests may not be reported in combination with organ and disease panels.

EXAMPLE II

A physician in Louisiana orders an antibody titer for rubella (measles). This test determines if a patient has ever been exposed to, or is presently infected by the measles virus.

This test is performed using a fluorescent immunoassay technique which yields either a positive (antibodies are present) or a negative (no antibodies are present) result.

A measure of the concentration of antibodies (and hence the severity of the infection) can be obtained by performing a "titer" of the specimen.

To perform the titer, the blood specimen is diluted again and again (1:1, 2:1, 4:1, etc) and retested until no antibodies can be detected. The dilution at which a negative result is obtained is the "titer", the higher the dilution, the more antibodies were originally present.

The codes and corresponding Medicare payments which apply to this type of test are:

CODE	DESCRIPTOR	MEDICARE PAYMENT
86255	Fluorescent Immunoassay, screen	$14.85
86256	Fluorescent Immunoassay, titer	$18.70

COMMON CODING PRACTICE:

Because a "titer" is ordered, a "titer" (i.e. 86256) is submitted and Medicare pays $18.70.

PROPER CODING PRACTICE:

If the result of the test is negative (no antibodies are present in the blood sample), no dilutions and subsequent measurements are required and the procedure should be reported as a qualitative screen (i.e. 86255). Medicare pays only $14.85.

Only if the result of the test is positive and a true titer is performed should the titer code be submitted.

ECONOMIC CONSEQUENCES

The results of many antibody titers are negative since it is common practice to order a number of such tests to determine both the type of virus causing the problem as well as the degree of infection.

Whenever a titer code is submitted and paid, and the result is negative, Medicare pays $3.85 more than it should.

If approximately 50,000 titers are ordered in Louisiana each year and 70% are negative, (Most such tests are negative since multiple tests are run to determine the type of infection as well as its severity) Medicare will pay $134,750 in excess under common coding practice. (35,000 X $3.85 = $135,750)

Extended over all 57 carriers, total overpayments would be approximately: $6,064,000

Laboratory example II, Fluorescent immunoassay.

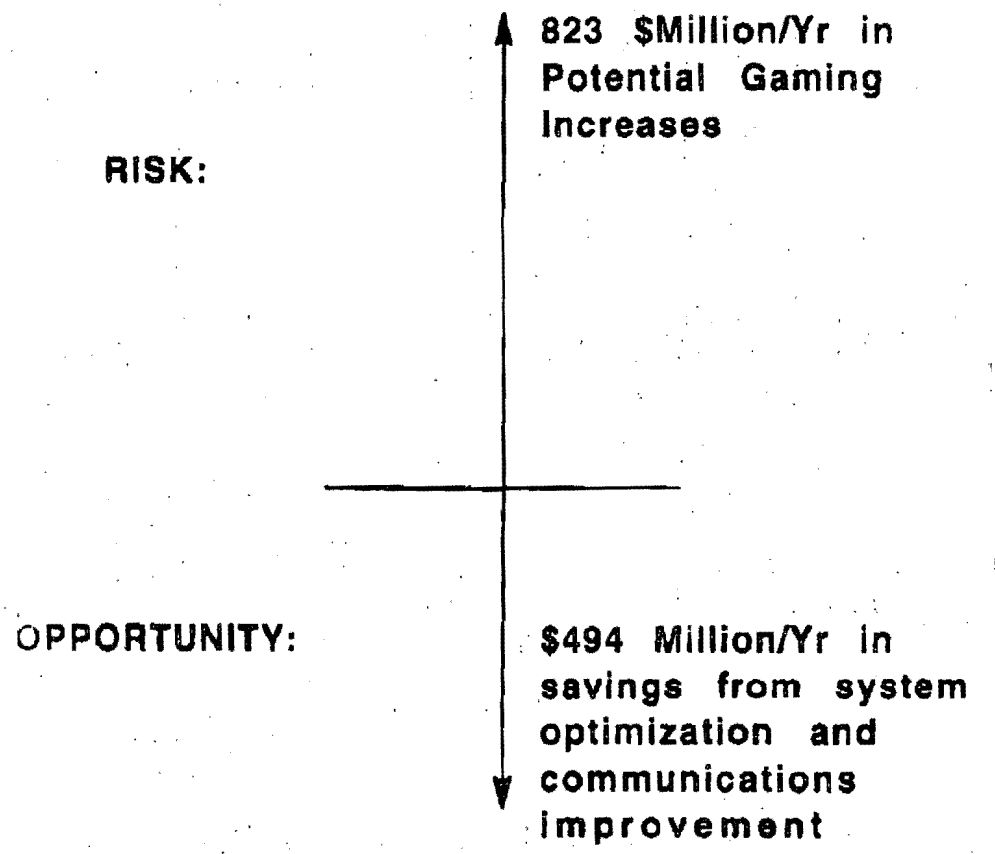
The following instruction would be included regarding use of these codes.

If the result of the test is negative, the procedure should be reported as a qualitative screen, 86255

If the result of the test is positive AND a titer is also performed, the procedure should be reported as a titer, 86256.

Net Economic Risk/Opportunity (Annual)

Example: LABORATORY



$1,317 Million/Yr. Potential System Savings

EXAMPLE: RADIOLOGY

A radiology technician makes records a fluoroscopic study of a recently implanted heart valve. The video tape is subsequently review by a radiologist to verify that the value is functioning correctly.

The following three codes apply to this procedure:

		Medicare Payments:		
		Technical Component	Professional Interpretation	Total
76000	Fluoroscopy, up to 1 hr. physician time	$42.20	$7.80	$50.00
76125	Cineradiology, with routine exam	$25.63	$12.82	$38.45
93280	Cardiac fluoroscopy	$13.13	$30.36	$43.76

Assuming that a hospital bills Medicare for the technical component (for the technician's time and use of the equipment), and the radiologist bills Medicare for his professional interpretation; each party will tend to maximize their revenue by selecting the following codes:

HOSPITAL:	76000-TC	Fluoroscopy, technical component	$42.20
PHYSICIAN:	93280-26	Cardiac fluoroscopy, Prof. component	$30.63
		TOTAL MEDICARE PAYMENT:	$72.83

Specification of 76125 as the only proper code for use by both the hospital and radiologist would result in a total Medicare payment of only $38.45. A 47% reduction in cost for this procedure.

Radiology example: fluoroscopic study of heart valve

The coding guide would be indexed to direct a user looking for a fluoroscopic study of a heart valve replacement to the following entry:

Fluoroscopic studies:

Heart valve follow up study with video tape record

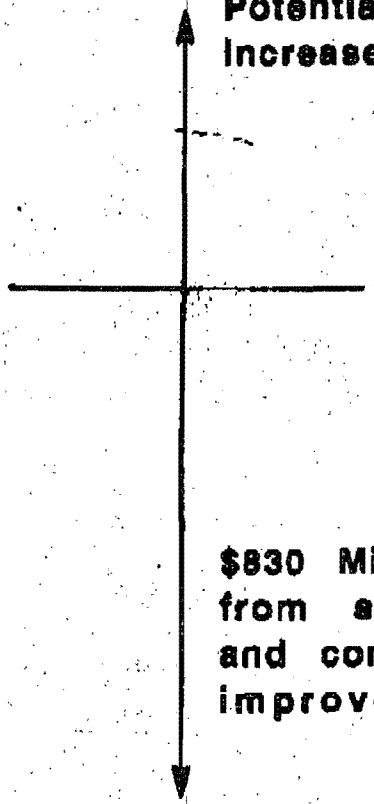
Technical component (recording of study) 76125-TC

Professional component (interpretation of tape by physician) 76125-26

Note: If both technical and professional components are performed and billed by the same provider, the global code 76125 must be used.

Net Economic Risk/Opportunity (Annual)

Example: DIAG. IMAGING



RISK: 450 $Million/Yr in Potential Gaming Increases

OPPORTUNITY: $830 Million/Yr in Saving from system optimizatic and communications improvement

$1,280 Million/Yr in Potential System Savings

EXAMPLE: SURGICAL PATHOLOGY CODING

In surgical pathology the UNIT OF SERVICE is defined as A SPECIMEN,

each separately identified tissue submitted for individual examination is considered a separate unit of service and assigned the appropriate CPT code.

EXAMPLE A:

A dermatologist removes 6 skin growths during a routine cosmetic surgery. The 6 tissue specimens are sent to a pathology lab labeled "skin tags".

The pathologist make slides of each tissue specimen, performs a microscopic exam and prepares a report on his findings. His work is submitted to Medicare using the following code:

88304 LEVEL IV Surgical Pathology $29.38

EXAMPLE B:

Another physician performs the same procedure but submits the 6 skin growths individually labeled as separate specimens.

The pathologist performs exactly the same work but is now able to submit code 88305 X 6 since each piece of tissue is separately identified.

6 X 88304 LEVEL IV Surgical Pathology $176.28

Further definition of a "specimen" is obviously needed to limit the temptation to "game" the system through specimen splitting.

Surgical pathology example : Examination of skin tags

Under surgical pathology, "skin growths", the following subclassification and coding instruction would be listed:

Routine examination of skin tags, unit of service is defined as follows:

1-3 growths, tags, etc. = 1 specimen
4-7 growths, tags etc. = 2 specimens
8-12 growths, tags etc. = 3 specimens

Net Economic Risk/Opportunity (Annual)

Example: PATHOLOGY

RISK: 200 $Million/Yr in Potential Gaming Increases

OPPORTUNITY: $110 Million/Yr in Saving from system optimizatic and communications improvement

$310 Million/Yr in Potential System Savings

VENTURE RESOURCES

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March 30, 1993 -- FAXED TO: 202-456-2878 -- 1 Page

Ms. Carol Rasco, Director, Domestic Policy Council
The White House
1600 Pennsylvania Avenue
Washington, DC 20071

SUBJECT: Medicare, Part B, Cost Savings

Dear Ms. Rasco:

Thank you for taking your valuable time to listen to our suggestions on March 23rd. We applaud you, President Clinton and the Health Care Task Force for tackling this tough domestic problem.

Our proposal is an example of a small private sector business which can obtain real savings for the Government in health care. The savings can be accomplished immediately, without compromising medical quality or services, with industry acceptance and with the cooperation of providers. Our company may not be large, but our goals are substantial.

You certainly have your job cut out for you, with so much to accomplish. You have a fine looking family and we know they have got to be very proud of what you are doing for the Country. We feel that our suggestions in the health care area can be of real advantage in getting that job done. It does not always take a giant company to solve a giant problem.

Thank you again for listening to us. We look forward to answering any questions your staff might develop and working with the Administration to provide real Medicare B cost savings.

Sincerely,
VENTURE RESOURCES

By Charles B Root, L Raycroft Wilson, M. Leah H. Wilson

Dr. Charles B. Root
L.Raycroft Wilson
M. Leah H. Wilson, R.N., B.S.N.

CBR,LRW,MLHW/lak

THE WHITE HOUSE
WASHINGTON

HCFA → recent recoding by AMA/HCFA; could be increase of as much as 5% + (perhaps 8-10%)

Labor – pilot demo

57 carriers?

Wadeck – confirm
Staff under him
Health Care reform timeline

VENTURE RESOURCES
PRESENTATION

The White House

March 23, 1993

Potential Medicare Savings from Optimization of Part B Payment System

by

Charles B. Root, Ph.D.
L. Raycroft Wilson
M. Leah H. Wilson, R.N., B.S.N.

Venture Resources, 1000 Hart Road, Suite 230, Barrington, IL 60010
Phone 708-381-3265, Fax 708-381-4606

THE PROBLEM:

Complicated Part B payment rules are not understood by most providers and many carriers resulting in improper coding and payment for physician services.

Significant time & expense is incurred by both carriers and providers trying to identify proper payment and settling disputes.

The relation between carriers and providers is adversarial rather than cooperative.

Complicated, misunderstood, and inconsistently applied rules make it difficult for providers to submit claims properly.

THE SOLUTION:

Optimize the definition and understanding of the present Part B payment system. (Physician & Lab Fee Schedules)

1. Identify and define as line items, each existing medical action, technology, method, and result in concise language that is understood by grass-roots providers and carriers and tie each line item to a clearly defined code or codes.

2. Create a communication system for carriers and providers which results in a uniform and proper execution of payment rules.

3. Establish a monitoring system to both determine Medicare savings and provider benefits and acceptance.

THE OBJECTIVES:

Within current legislation, rules, and policy . .

1. Immediately reduce Medicare Part B payments by roughly 6% to 8% without reducing patient services.

2. Eliminate the potential for provider "gaming" of the system.

3. Immediately reduce incorrect coding and payments resulting in fewer claim rejections, more efficient billing, and faster collection for providers.

4. Establish a communication and monitoring system to insure continued cooperation between HCFA, carriers and providers.

THE BASIS FOR THE PLAN . . .

1. Most Medicare cost containment efforts are based on global, top-down strategies and actions.

2. The micro-economics of individual provider behavior often confound such efforts

3. Cost containment solutions based on field experience and the micro-economics of providers and suppliers will be easier to impose and more likely to be successful

4. Venture Resources understands the economic and operational needs of the marketplace through daily contact with physicians, hospitals, manufacturers, and healthcare consultants.

5. We can deliver a win-win solution for both Medicare and providers by increasing provider operating efficiency in return for decreased Medicare payments.

THE PILOT PROPOSAL:

- Use Laboratory as the pilot specialty
- Develop required materials
- Execute program across all carriers
- Use results of pilot program to project and extend benefits to all medical specialties

EXAMPLE: LABORATORY SERVICES

Potential Medicare Cost Increases due to Provider Gaming of an Imperfect System

	Number	Avg. Increase per Hospital	$Millions
HOSPITALS			
< 100 beds	2300	$25,000	$ 58
100-300 beds	1400	$50,000	$ 70
> 400 beds	500	$150,000	$ 75
REFERENCE LABS			
Small	1500	$30,000	$ 45
Regional	500	$250,000	$125
PHYSICIAN LABS			
Small	75000	$5,000	$375
Clinics/Groups	1500	$50,000	$ 75

TOTAL: $823 Million

Potential Medicare Savings from an Optimized Payment System

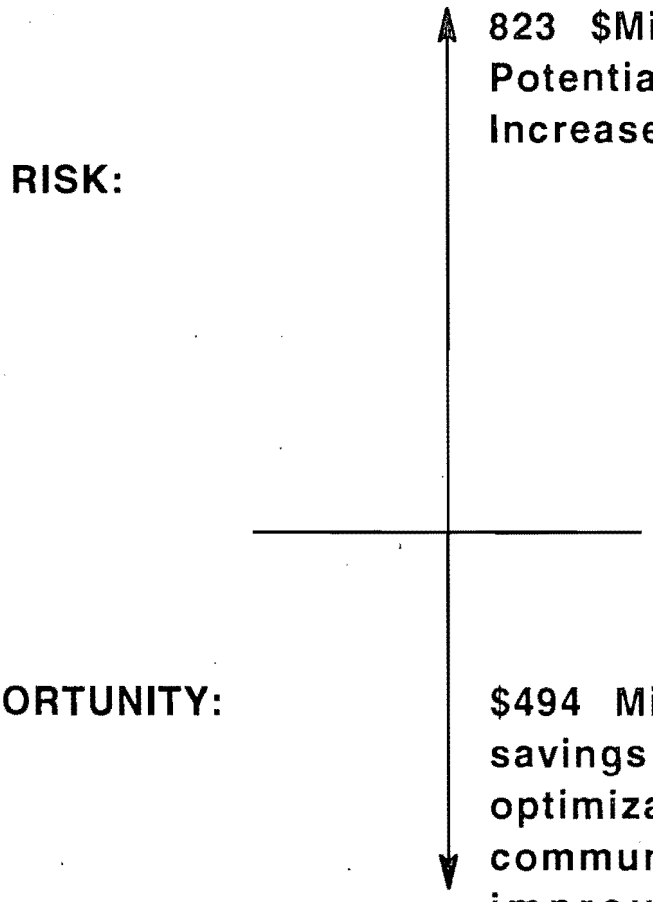
	Number	Avg. Increase per Hospital	$Millions
HOSPITALS			
< 100 beds	2300	$ 15,000	$35
100-300 beds	1400	$ 30,000	$42
> 400 beds	500	$ 90,000	$45
REFERENCE LABS			
Small	1500	$ 18,000	$27
Regional	500	$ 150,000	$75
PHYSICIAN LABS			
Small	75000	$ 3,000	$225
Clinics/Groups	1500	$ 30,000	$ 45

TOTAL: $494 Million

TOTAL ECONOMIC OPPORTUNITY: $1,317 Million

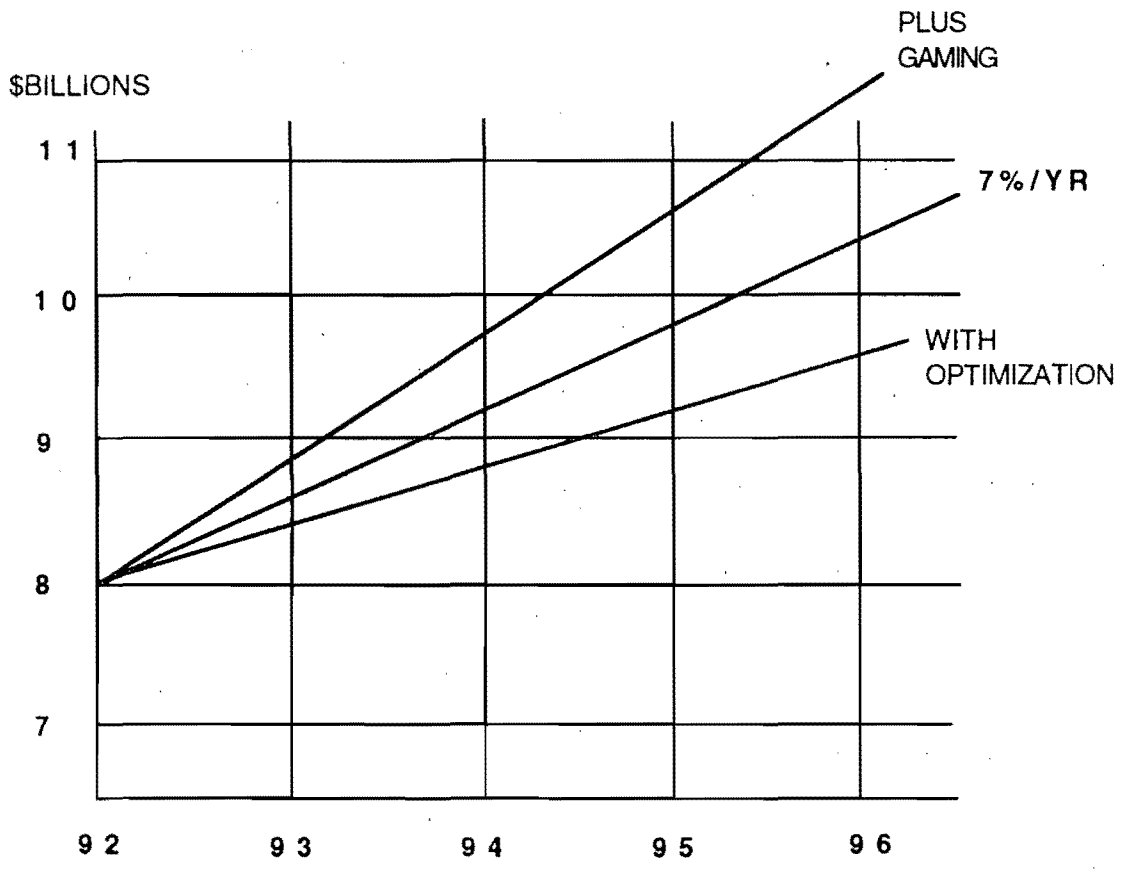
Net Economic Risk/Opportunity (Annual)

Example: LABORATORY



$1,317 Million/Yr. Potential System Savings

POTENTIAL GROWTH IN LAB PAYMENTS

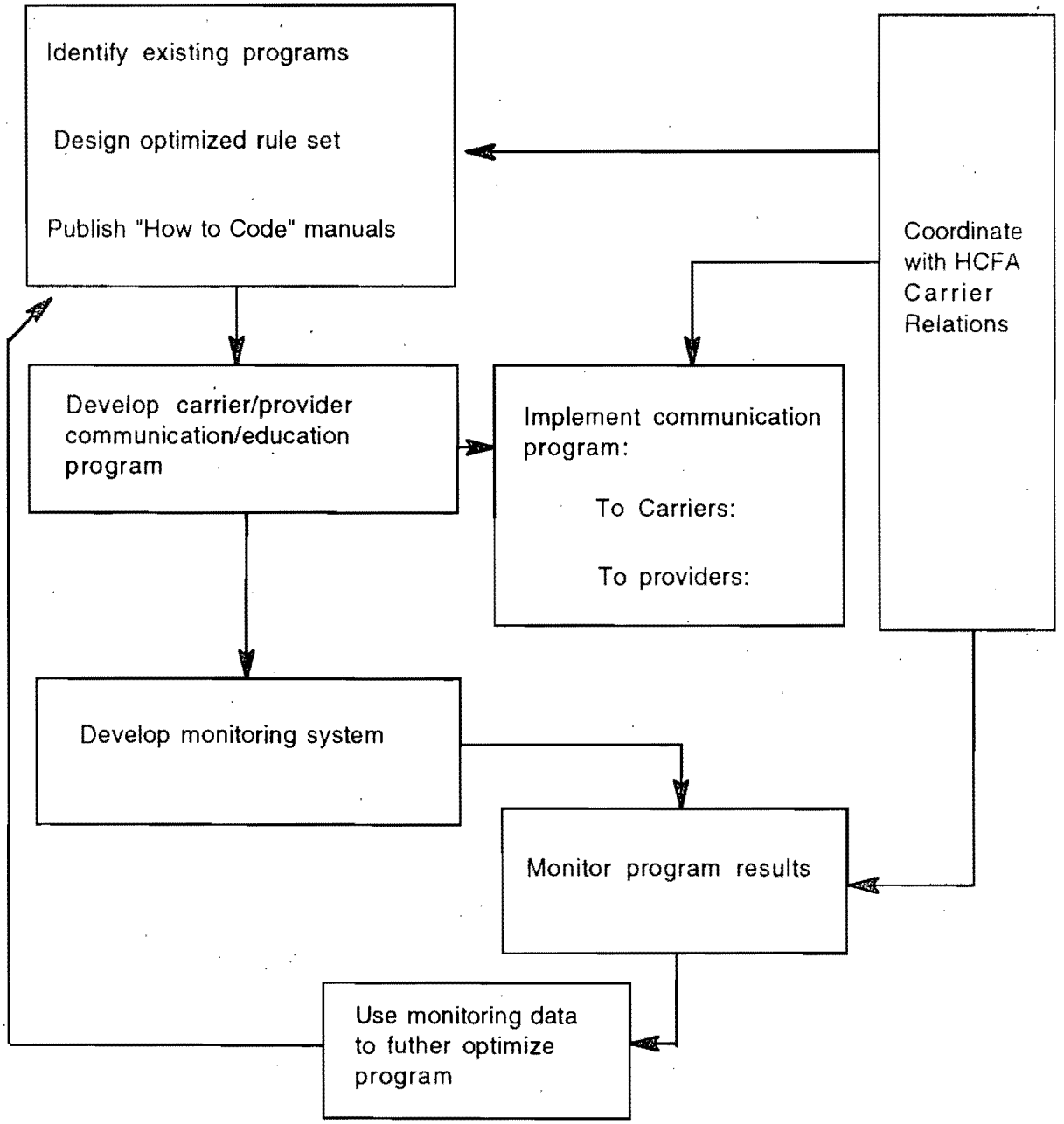


THE PLAN:

1. IDENTIFY & DEFINE each existing medical action, technology, method and result to a specific payment rule and fee schedule.
2. DEVELOP payment procedure ... Manuals using common field terminology for all procedures and services.
3. IMPLEMENT (EDUCATE & TRAIN) a clear and efficient communication program to insure that HCFA, carriers and providers understand the system and use it the same way.
4. CREATE a field monitoring / quality control system to track program savings, to update terminology and manuals and to insure continued smooth operation.
5. COMMUNICATE with providers to insure productivity improvement.
6. EDUCATE & TRAIN HCFA to maintain results.

EXTEND TO ALL PART B SECTIONS.

PROJECT FLOWCHART



THE PROJECT SCHEDULE:

Months
from start

START PILOT (Laboratory):

STAGE I: IDENTIFY--QUANTIFY--PROVE (70% complete)----- 2 months
Interaction with providers and carriers
Identify $100 - $200 Million savings -- 1 month

STAGE II: DOCUMENT--IMPLEMENT--EXECUTE (70% complete)- 6 months
Develop manuals and communication program

STAGE III: MONITOR--ANALYZE--OPTIMIZE (complete)------12 months
Institute monitoring & quality control program
Educating & Training HCFA to maintain program

START PATHOLOGY & RADIOLOGY SECTIONS: 6 months

STAGE I: IDENTIFY--QUANTIFY--PROVE (70% complete)----- 8 months
Interaction with providers and carriers

STAGE II: DOCUMENT--IMPLEMENT--EXECUTE (70% complete)-12 months
Develop manuals and communication program

STAGE III: MONITOR--ANALYZE--OPTIMIZE (complete)------18 months
Institute monitoring & quality control program
Educating & Training HCFA to maintain program

START BALANCE OF PART B: 12 months

STAGE I: IDENTIFY--QUANTIFY--PROVE (70% complete)-----15 months
Interaction with providers and carriers

STAGE II: DOCUMENT--IMPLEMENT--EXECUTE (70% complete)-21 months
Develop manuals and communication program

STAGE III: MONITOR--ANALYZE--OPTIMIZE (complete)------27 months
Institute monitoring & quality control program
Educating & Training HCFA to maintain program

WRAP-UP 21 months

QUALITY CONTROL----------30 months
Review systems from provider through carrier to
HCFA and back down to insure continued operation

COMPLETE TOTAL PROJECT 30 months

THE CONCLUSION:

This proposal benefits the Government, the providers and the patients -------

1. It results in clear, concise communication among HCFA, the providers and the insurers.
2. It cleans up Government waste and provides immediate opportunity for significant cost savings in the health field as a part of the administration's health care initiative.
3. It neither requires a Congressional initiative, nor presents any major procedural conflicts.
4. It is a bipartisan project because it cuts cost.
5. Hospitals & doctors will endorse it because it improves efficiency in the reimbursement process.
6. Standardization and clarification of the reimbursement codes brings current saving and slows future growth, both common to all interpretations of health care reform.
7. There is no reduction in the quality of medical care.