
CMS Manual System

Pub. 100-20 One-Time Notification

Department of Health & Human
Services (DHHS)
Centers for Medicare &
Medicaid Services (CMS)

Transmittal 38

Date: JANUARY 2, 2004

CHANGE REQUEST 3040

I. SUMMARY OF CHANGES: With the enactment of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003, this one time notification provides an education article for carriers to announce the new increase for the 2004 Medicare Physician Fee Schedule and the extension of the participation enrollment period.

NEW/REVISED MATERIAL - EFFECTIVE DATE: January 1, 2004

***IMPLEMENTATION DATE: January 5, 2004**

Disclaimer for manual changes only: The revision date and transmittal number apply only to red italicized material. Any other material was previously published and remains unchanged.

II. CHANGES IN MANUAL INSTRUCTIONS:

R/N/D	CHAPTER/SECTION/SUBSECTION/TITLE
N/A	

***III. FUNDING:**

These instructions should be implemented within your current operating budget.

IV. ATTACHMENTS:

	Business Requirements
	Manual Instruction
	Confidential Requirements
X	One-Time Notification

***Medicare contractors only**

One-Time Notification

Pub. 100-20	Transmittal: 38	Date: January 2, 2004	Change Request 3040
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SUBJECT: Provider Education Article: 2004 Medicare Physician Fee Schedule Increase and Extension of the Annual Participation Enrollment Period

I. GENERAL INFORMATION

A. Background:

Provider Education Article regarding the enactment of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003, that allows for a 1.5 percent increase in the 2004 conversion factor to be effective January 1, 2004. On average, Medicare Physician Fee Schedule (MPFS) rates will increase approximately 1.5 percent. However, because there are changes to relative value units and GPCIs, the increase for any specific service in a particular area may be more or less than 1.5 percent.

The article also addressed the fact that CMS is extending the participation enrollment period.

B. Policy:

The purpose of this instruction is to provide an education article announcing the change to MPFS rates to Medicare carriers and the extension of the 2004 participation enrollment period. The new fees are effective January 1, 2004. Carriers are to use this article to do provider education announcing the 2004 increase and to announce the extension of the participation enrollment period.

C. Provider Education:

Carriers shall inform affected providers by posting this article on their Web sites within one week. Also, carriers shall publish this same information in their next regularly scheduled bulletins. If they have a listserv that targets affected providers, they shall use it to notify subscribers that an article containing information about the increase in the 2004 MPFS, and the extended participation enrollment period is available on their Web sites.

II. BUSINESS REQUIREMENTS

"Shall" denotes a mandatory requirement

"Should" denotes an optional requirement

Requirement #	Requirements	Responsibility
3040.1	Carriers shall publish attached provider education article on their Web sites within one week.	Carriers

3040.2	Carriers shall publish the attached provider education article in their next regularly scheduled bulletins.	Carriers
3040.3	Carriers who have a listserv that targets the affected provider communities shall use their listserv to notify subscribers that information about the MPFS 2004 and extended enrollment period is available on their Web sites.	Carriers

III. SUPPORTING INFORMATION & POSSIBLE DESIGN CONSIDERATIONS

A. Other Instructions: N/A

X-Ref Requirement #	Instructions

B. Design Considerations: N/A

X-Ref Requirement #	Recommendation for Medicare System Requirements

C. Interfaces: N/A

D. Contractor Financial Reporting /Workload Impact: N/A

E. Dependencies: N/A

F. Testing Considerations: N/A

IV. SCHEDULE, CONTACTS, AND FUNDING

<p>Effective Date: January 1, 2004</p> <p>Implementation Date: January 5, 2004</p> <p>Post-Implementation Contact(s): Appropriate regional office</p>	<p>These instructions should be implemented within your current operating budget.</p>
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ATTACHMENT: MEDLEARN MATTERS ARTICLE

Related Change Request #: 3009

MedLearn Matters Number: MM3009

Related Change Request Release Date: 12/10/03

Related Change Request Transmittal #: 28

Effective Date: January 1, 2004

Implementation Date: January 5, 2004

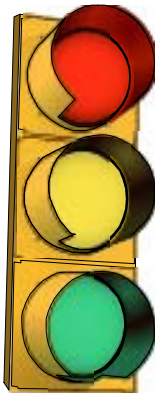
2004 Medicare Physician Fee Schedule Increase and Extension of the Annual Participation Enrollment Period

Provider Types Affected

Physicians, Limited Licensed Practitioners, and Suppliers.

Provider Action Needed

You have until February 17, 2004 to consider the new fee schedule increase before making your 2004 participation decision. The new fee schedule incorporates increases passed by Congress and signed by the President into law on December 8.



STOP

Before making your 2004 Medicare participation decision, review the rate increase authorized by the Medicare Prescription Drug, Improvement, and Modernization Act. If you decide to maintain the same participation status in 2004 as you have now, **YOU NEED TAKE NO FURTHER ACTION.**

CAUTION

After reviewing the new rates, also understand the extended timeframes for making your decision and the rules involving your 2004 payments while your decision is being processed, especially if you change your participation status.

GO

If you decide to change your participation status, be sure to complete the participation agreement that you received from your carrier and submit it to that carrier as soon as possible. Please know that we are extending the 2004 participation enrollment period and your carrier will accept the agreements postmarked as late as February 17, 2004.

Background

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, recently passed by Congress and signed into law by the President, establishes a 1.5 percent increase in the conversion factor to be effective on January 1, 2004. On average, Medicare Physician Fee Schedule (MPFS) rates will increase by approximately 1.5 percent. However, please remember that changes to relative value units

and geographic practice cost indices (GPCIs) could result in an increase that is slightly more or less than 1.5 percent for any specific service in a given area.

Because this change has happened so late in the year, the Centers for Medicare & Medicaid Services (CMS) is extending the participation enrollment period for 2004. The enrollment period will continue beyond December 31, 2003 because your carrier will accept enrollment forms that are postmarked as late as February 17, 2004. Thus, the complete enrollment period this year runs from November 14, 2003 through February 17, 2004.

Impact on Claims

Although the enrollment period runs until February 17, 2004, the effective date of the agreement will be January 1, 2004 and Medicare will be ready to process your claims in a timely and accurate manner. If you change your participation status by submitting a form after December 31, 2003, you should begin submitting claims in accordance with the participation decision you convey as soon as you submit that form.

Enrollments and withdrawals for 2004 that are received after December 31, 2003, will be recorded in your carrier's system as soon as possible after receipt. Until your form is received and recorded in your carrier's system, your 2004 claims will be processed using your 2003 status. Such claims will not be reopened or reprocessed once your form and participation status are recorded unless you specifically notify your carrier to do so.

Additional Information

The 2004 fee schedule will be posted on your carrier's web site. If your carrier has an e-mail listserv and you subscribe to that listserv, you should receive notice of when the 2004 fee schedule has been posted to your carrier's web site. Your carrier also will make hardcopies of the fee schedule available to you, upon request; however, the carrier may charge a reasonable fee to cover the expense of providing a hardcopy.

If you have any questions, please contact your carrier via their toll-free number or visit their web site. If you do not know their number or web address, go to: <http://www.cms.hhs.gov/medlearn/tollnums.asp> to find a listing of the numbers and web addresses.

Additionally, CMS makes information available on its web site regarding the fee schedule. This information can be found at <http://www.cms.hhs.gov/physicians/pfs/>.

CMS also maintains a fee schedule lookup tool on its web site to assist physicians. This tool can be found at <http://www.cms.hhs.gov/physicians/mpfsapp/default.asp>.

Also, the official instruction issued to your carrier regarding this fee schedule and enrollment period change may be found by going to http://www.cms.hhs.gov/manuals/transmittals/comm_date_dsc.asp. Once at that web page, look for 3009 in the CR NUM column on the right and click on the file for that CR.

Please know that Medicare appreciates the valuable services you provide to Medicare beneficiaries and hopes this information encourages you to continue or elect participation status in this program.