



Related MLN Matters Article #: MM5944

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EMERGENCY -- Legislative Change Affecting the 2008 Medicare Physician Fee Schedule (MPFS) and Extension of the 2008 Participation Open Enrollment Period

Key Words

MM5944, CR5944, R3120TN, Legislative, MPFS, Participation, Enrollment

Provider Types Affected

Physicians and other providers who bill Medicare Carriers, Fiscal Intermediaries (FIs), Regional Home Health Intermediaries (RHHIs), and Part A/B Medicare Administrative Contractors (A/B MACs) for professional services paid under the MPFS

Key Points

- The effective date of the instruction is January 1, 2008.
- The implementation date is January 7, 2008.
- The "Medicare, Medicaid, and State Children's Health Insurance Program Extension Act of 2007" changes the rates of the 2008 MPFS.

MPFS Rate Change

- Effective for claims with dates of service January 1, 2008, through June 30, 2008, the update to the conversion factor will be 0.5%.
- It is important that providers understand that this new legislation only impacts the MPFS rates during the first half of 2008 (claims with dates of service January 1, 2008, through June 30, 2008).
- Claims with dates of service July 1, 2008, and after will revert back to the previous payment methodology (the -10.1% update) that was outlined in the Final Rule, which was published in the Federal Register on November 27, 2007.

Note: The legislation also extends the 1.0 floor on the work geographic practice cost index for six months, i.e., through June 30, 2008.

- This MPFS rate change also impacts several other fee schedule rates which are MFPS-derived, including the anesthesia conversion factors, purchased diagnostic file, and ambulatory surgical center facility rates. It does not impact services that are not paid under the MPFS (e.g., durable medical equipment, clinical lab, etc.).
- **Physicians do not need to take any additional action in order for their claims to be paid at the new 0.5 percent rate.** Medicare contractors are able to process claims for services paid under the MPFS that contain dates of service January 1, 2008, and after with the new 2008 rates. No adjustments should be necessary.
- Medicare contractors have been instructed to be ready to process all claims with 2008 dates of service with the new MPFS fees beginning January 7, 2008.

2008 Participation Open Enrollment Period Extension

- Because this new legislation changes the 2008 MPFS rates, the Centers for Medicare & Medicaid Services (CMS) has extended the 2008 Participation Open Enrollment period from December 31, 2007, to February 15, 2008. Therefore, it now runs from November 15, 2007, through February 15, 2008.
- The effective date for any participation status change during the extension, however, remains January 1, 2008, and will be in force for the entire year. Providers should make their participation decision for 2008 based on the two new fee rates (i.e., the 0.5% update that is effective January through June, and the -10.1% update that is effective July through December).

Note: CR5944 revises CR5732 (Transmittal 1356 -- Calendar Year 2008 Participation Enrollment and Medicare Participating Physicians and Suppliers Directory Procedures, dated October 19, 2007) to reflect the extension.

Additional Instruction in CR5944

- Any contractor that is unable to meet the January 7, 2008, date for processing claims can hold affected claims for up to 14 calendar days after receipt, but all held claims must be released for payment no later than January 15, 2008.
- Contractors will not automatically make adjustments for providers who change their participation status after January 1, 2008. Providers should begin billing claims according to the participation decision that they have made. However, they will adjust claims based on participation status changes that providers bring to their attention.
- Contractors will make the Participation Agreement available to providers by placing it on their Web sites with participation enrollment (and termination) instructions. They will mail (at no charge) hard copies of the new 2008 MPFS (on request) to any physicians/practitioners who do not have Internet access and are unable to view the new fees on the contractors' Web sites.
- Contractors will, however, charge a reasonable fee for mailing a hard copy of the 2008 MPFS to providers that do have Internet access, but who want a hard copy for convenience.
- Contractors will handle physicians/practitioners' requests for copies of the 2008 MPFS as customer services matters and not as Freedom of Information Act (FOIA) requests. They will handle such requests from other members of the public as FOIA requests.
- Contractors will post the new fees on their Web sites as early as possible.

- Contractors will accept and process any participation elections or withdrawals, made during the extended enrollment period that are received or post-marked on or before February 15, 2008.

Important Links

The related MLN Matters article can be found at

<http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM5944.pdf> on the CMS website.

The official instructions (CR5944) issued regarding this change may be found at

<http://www.cms.hhs.gov/transmittals/downloads/R312OTN.pdf> on the CMS website.

Providers may find CR5732 at <http://www.cms.hhs.gov/transmittals/downloads/R1356CP.pdf> on the CMS website.

If providers have any questions, they may contact their carrier, FI, RHHI, or A/B MAC at their toll-free number, which may be found at

<http://www.cms.hhs.gov/MLNProducts/downloads/CallCenterTollNumDirectory.zip> on the CMS website.