



Related MLN Matters Article #: MM3790

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MMA - Implementation of the Physician Scarcity Area (PSA) Bonus and Revision to the Health Professional Shortage Area (HPSA) Payment to a Critical Access Hospital (CAH)

Keywords

CR3790, MM3790, R523CP, SE0453, PSA, HPSA, CAH, Bonus, 85x, 413a, 413b, Mental Health, Psychiatrists, OB, QU, AK, GF, SB, AH, AE, MMA

Provider Types Affected

CAHs located in a PSA/HPSA area and billing for Medicare Fiscal Intermediaries (FIs) for physician services

Key Points

- The effective date of the instruction is January 1, 2005.
- The implementation date is July 15, 2005.
- MM3790 states that Medicare will pay an additional five percent bonus payment to physicians who render service in a CAH that is located in a designated PSA.
- Section 413a of MMA requires that an additional five percent bonus payment be made to physicians in designated physician scarcity areas.
- This five percent bonus is in addition to the amount of payment that would be made for services rendered by physicians.
- Medicare will pay this five percent physician scarcity bonus quarterly based on the amount actually paid (not the Medicare approved payment amount for each service).
- Physician scarcity designations will be based on the lowest primary care and specialty care ratios of Medicare beneficiaries to active physicians in every county.
- Physician scarcity areas will be identified based on the lowest primary care and specialty care ratios of Medicare beneficiaries to active physicians in each identified rural census tract.
- A single service may be eligible for both the new physician scarcity bonus as well as the current HPSA bonus payment.

- Payment will be based on the zip code of the location where the service was performed.
- The physician scarcity bonus designations will be updated every three years.
- For the zip codes **that completely fall into full counties designated as HPSAs:**
 - The Section 413b of MMA requires that the HPSA bonus payment be automatically paid for services rendered in locations with those zip codes.
 - CMS will also automatically pay a bonus for those zip codes that are considered to fully fall in the county based on a determination of dominance made by the United States Postal Service (USPS) and for those zip codes that fully fall within partial county HPSAs.
 - The CAHs will no longer need to include the QB or QU modifier on claims from these locations in order to receive the bonus payment for physician services.
- For the zip codes **that do not fall within a full county HPSA or fully within a non-full county HPSA:**
 - The CAHs must continue to place either HCPCS modifier QB or QU on the claim in order to receive the bonus.
 - The CAHs will need to submit the modifier for new designations made by the Health Resources and Services Administration (HRSA) throughout the year and for any designated areas not included in the automated file because of the cut off date of the data used.
 - The bonus will be effective for services rendered on or after the date of designation by HRSA.
- The MMA also extended the HPSA provision to include a 10 percent bonus for mental health physicians services (psychiatrists) rendered in a CAH located in a HPSA.
- Additional clarifications/additions in CR3790 include:
 - Reassignment of billing rights from 855I to 855R;
 - A new modifier for non-participating physicians; and
 - The use of appropriate modifiers for non-physician practitioners.

Important Links

<http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM3790.pdf>

<http://www.cms.hhs.gov/Transmittals/downloads/R523CP.pdf>

<http://www.cms.hhs.gov/manuals/downloads/clm104c12.pdf>

<http://www.census.gov>

<http://www.cms.hhs.gov/MLNMattersArticles/downloads/SE0453.pdf>