



Related MLN Matters Article #: MM3800

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Billing Requirements for Physician Services Rendered in Method II Critical Access Hospitals (CAHs) – Replacement of Change Request (CR) 3559

Keywords

CAH, HPSA, Bonus, TOB, 85x, 72x, CR3559, MM3559, CR3800, MM3800, CR3262, MM3262 HCPCS, MPFS, PSA, Method, II, R530CP

Provider Types Affected

Critical Access Hospitals (CAHs) billing Medicare Fiscal Intermediaries (FIs) for physician services

Key Points

- The effective date of the instruction is:
 - January 5, 2004, for HPSA Bonus,
 - January 3, 2005, for Physician Scarcity, and
 - July 1, 2001, for Physician Services.
- The implementation date is July 5, 2005.
- CR 3262 stated incorrectly 72x as the TOB for CAH outpatient services.
- The correct TOB for a CAH for outpatient services is **85x**.
- Under Method II, physician services are paid to the CAH at 115% of the applicable Medicare Physician Fee Schedule payment amount.
- Section 413 of the Medicare Modernization Act established an additional 5% payment for services rendered in a Physician Scarcity Area and required the automation of the Health Professional Shortage Area incentive payment.
- CAHs can have outpatient departments that are off-site (not physically located in the hospital).
- When billing for reassigned benefits from physicians/professionals for services rendered, the CAH must place the address and zip code of the actual place of service on the claim:
 - In the 2310E loop of the 8371 for electronic claims, and

- In the "Remarks" field for hard copy UB-92 claims and on DDE claims.
- The zip code placement will be determined by the FIs for hardcopy and on DDE claims.
- In its *Medicare Claims Processing Manual* (Section 30.1.1), the Centers for Medicare & Medicaid Services is clarifying that CAHs are exempt from the payment window provisions that bundle outpatient services into inpatient payments when the outpatient services occur within the one- and three-day window prior to an inpatient stay.

Important Links

<http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM3800.pdf>

<http://www.cms.hhs.gov/Transmittals/downloads/R530CP.pdf>

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

<http://www.cms.hhs.gov/MLNMattersArticles/downloads/SE0449.pdf>

<http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM3336.pdf>

<http://www.cms.hhs.gov/Transmittals/downloads/R203CP.pdf>