

MLN Matters Number: MM3827

Related Change Request (CR) #: 3827

Related CR Release Date: May 13, 2005

Effective Date: January 1, 2005

Related CR Transmittal #: 559

Implementation Date: June 13, 2005

MMA - Override of Automated Health Professional Shortage Area (HPSA) and/or Physician Scarcity (PSA) Bonus Payments for Globally Billed Services

Note: This article was updated on February 7, 2013, to reflect current Web addresses. All other information remains unchanged.

Provider Types Affected

Physicians billing services to Medicare carriers

Provider Action Needed



STOP – Impact to You

This article is based on information from Change Request (CR) 3827, which relates to physicians who do not want to receive the HPSA/PSA bonus payment. Currently, those physicians cannot get their claims paid without having to resubmit



the services as separate components.

CAUTION – What You Need to Know

CR3827 directs Medicare carriers to bypass certain edits when notified by a physician that they do not want to receive the physician bonus payment.



GO – What You Need to Do

Please see the *Background* section of this article for further details regarding these changes.

Background

The Medicare Prescription Drug Improvement and Modernization Act of 2003 (MMA, Sections 413(a) and (b)) required the Centers for Medicare & Medicaid

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Services (CMS) to revise some of the policy for the current Health Profession Shortage Area (HPSA) bonus payment and to develop a new Physician Scarcity Area (PSA) bonus. Medicare automatically pays HPSA/PSA bonuses on a quarterly basis without the need for a modifier on claims for services provided in zip code areas that fully fall within a county designated as a HPSA or PSA. CMS policy did not address providers who wish not to receive the HPSA/PSA bonus payment.

As of 2005, CMS has a new HPSA/PSA automated payment file that lists zip codes that will receive the bonus payment. Currently, carriers are returning the services as unprocessable if:

- A procedure is globally billed (i.e. the professional component/technical component (PC/TC) indicator is 1 or 4) and
- The zip code where the service was performed is on the list to receive the automated payment.

Carriers are then notifying the physician that the professional and technical components must be rebilled separately if performed in a qualifying bonus area. Subsequently, some providers wish to forgo the HPSA/PSA incentive rather than have to bill the components separately.

As of June 13, 2005, effective for claims with dates of services on or after January 1, 2005, Medicare carriers will accept claims from physicians who are eligible to receive automated HPSA/PSA bonus payments but have billed services globally. If approved, the services will be paid, but no bonus payment will be made. These procedures will change for claims received on or after October 1, 2005. See the reference under "Additional Information"

In addition, Medicare carriers will re-open and re-process claims brought to their attention should physicians indicate they wish to have the global services paid without the bonus payment. Physicians choosing not to receive the HPSA and/or PSA bonus payment **must** notify their carrier.

Additional Information

The Medicare Information for Health Professional Shortage Areas (HPSAs) and PSAs can be found at <http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/HPSAPSAPhysicianBonuses/index.html/> on the CMS website.

For complete details, please see the official instruction issued to your carrier regarding this change. That instruction may be viewed by going to <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R559CP.pdf> on the CMS website.

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For information on claims received by Medicare on or after October 1, 2005, you may view CR3822 at <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R556CP.pdf> on the CMS website.

You may also want to view the MLN Matters article for CR3822, which can be found at <http://www.cms.gov/outreach-and-education/medicare-learning-network-mln/mlnmattersarticles/downloads/MM3822.pdf> on the CMS website.

If you have any questions regarding this issue, please contact your Medicare carrier at their toll free number, which is available at <http://www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/provider-compliance-interactive-map/index.html> on the CMS website.

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