



**News Flash** – The Medicare Learning Network® is now offering the “Understanding the Remittance Advice (RA) for Institutional Providers” Web-Based Training (WBT). This WBT is designed to educate all institutional providers who bill Medicare with general RA information. It includes instructions to help you interpret the RA received from Medicare and reconcile it against submitted claims. It also provides guidance on how to read Electronic Remittance Advices and Standard Paper Remittance Advices, as well as information on balancing an RA. This activity offers continuing education and is available from the MLN at <http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/index.html> by scrolling to the bottom of the page and selecting Web-Based Training Modules from the Related Links Inside CMS section.

MLN Matters® Number: MM7063 **Revised**

Related Change Request (CR) #: 7063

Related CR Release Date: August 27, 2010

Effective Date: January 1, 2011

Related CR Transmittal #: R2040CP

Implementation Date: January 3, 2011

## **Section 5501(b) Incentive Payment Program for Major Surgical Procedures Furnished in Health Professional Shortage Areas under the Affordable Care Act (the Affordable Care Act)**

**Note:** This article was updated on August 8, 2012, to reflect current Web addresses. Previously, it was revised on December 6, 2011, to add a reference to MLN Matters® article MM7561 (<http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/downloads/MM7561.pdf>), which announces that effective April 1, 2012, the Special Remittance Advice for quarterly HPSA, PCIP, and HSIP is being revised to include a summary page of each type of incentive amount paid to the provider by NPI. All other information remains the same.

### **Provider Types Affected**

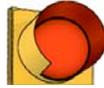
This program is for general surgeons submitting claims to Medicare contractors (carriers and Medicare Administrative Contractors (MAC)) for major surgical procedures furnished in Health Professional Shortage Areas (HPSAs) to Medicare beneficiaries.

#### **Disclaimer**

This article was prepared as a service to the public and is not intended to grant rights or impose obligations. This article may contain references or links to statutes, regulations, or other policy materials. The information provided is only intended to be a general summary. It is not intended to take the place of either the written law or regulations. We encourage readers to review the specific statutes, regulations and other interpretive materials for a full and accurate statement of their contents. CPT only copyright 2009 American Medical Association.

## Provider Action Needed

---



### STOP – Impact to You

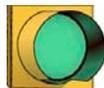
This article, based on change request (CR) 7063, explains that Section 5501(b) of the Affordable Care Act (ACA) revises section 1833(m) of the Social Security Act, referred to as the Act, and authorizes an incentive payment program for major surgical services furnished by general surgeons in Health Professional Shortage Areas (HPSAs). This section of the ACA provides for payments on a monthly or quarterly basis in an amount equal to 10 percent of the payment for physicians' professional services under Medicare Part B.



### CAUTION – What You Need to Know

This new program will be known as the HPSA Surgical Incentive Payment Program (HSIP). The incentive payment applies to major surgical procedures, defined as 10-day and 90-day global procedures, under the Physician Fee Schedule (PFS) and furnished on or after January 1, 2011, and before January 1, 2016, by a general surgeon with a primary specialty code of 02 (General Surgery) in an area designated under section 332(a)(1)(A) of the Public Health Service Act as a HPSA.

Section 5501(b)(4) of the ACA provides payment under the HSIP as an additional payment amount for specified surgical services without regard to any additional payment for the service under section 1833(m) of the Act. Therefore, a general surgeon may receive both a HPSA physician bonus payment under the established program and an HSIP payment under the new program beginning in CY 2011.



### GO – What You Need to Do

Modifier AQ is to be used to denote claims that were furnished in HPSAs approved by December 31 of the preceding calendar year, but that are not recognized for automatic payment. The modifier must be appended to the surgical procedure for the service to be eligible for the 10 percent additional HSIP payment, unless the services are provided in a ZIP code on the list of HPSA ZIP codes where automatic incentive payments are made. The list of these ZIP codes is available at <http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/HPSAPSAPhysicianBonuses/index.html> on the Centers for Medicare & Medicaid Services (CMS) website. Please ensure that your billing staffs are aware of this change.

#### Disclaimer

This article was prepared as a service to the public and is not intended to grant rights or impose obligations. This article may contain references or links to statutes, regulations, or other policy materials. The information provided is only intended to be a general summary. It is not intended to take the place of either the written law or regulations. We encourage readers to review the specific statutes, regulations and other interpretive materials for a full and accurate statement of their contents. CPT only copyright 2009 American Medical Association.

## Background

---

Section 5501(b) of the Affordable Care Act revises section 1833(m) of the Act and authorizes an incentive payment program for major surgical services furnished by general surgeons in Health Professional Shortage Areas (HPSAs). The section indicates that there also shall be paid (on a monthly or quarterly basis) an amount equal to 10 percent of the payment for physicians' professional services under Part B.

**Note:** The new HPSA Surgical Incentive Payment Program (HSIP) and the new Primary Care Incentive Payment Program (PCIP) will be implemented in conjunction with one another for CY 2011. CMS issued CR 7060 with requirements specific to the PCIP. (The MLN Matters® article related to CR 7060 is available at <http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/downloads/MM7060.pdf> on the CMS website.) The former "special HPSA remittance" will now be known as the "special incentive remittance."

The incentive payment applies to major surgical procedures, defined as 10-day and 90-day global procedures, under the PFS and furnished on or after January 1, 2011, and before January 1, 2016, by a general surgeon in an area designated under section 332(a)(1)(A) of the Public Health Service Act as a HPSA.

### *HPSA Surgical Incentive Payment Program (HSIP)*

For services furnished on or after January 1, 2011 and before January 1, 2016, a 10 percent incentive payment will be paid to general surgeons, identified by their enrollment in Medicare with a primary specialty code of 02 (General Surgery), in addition to the amount they would otherwise be paid for their professional services under Part B, when they furnish a major surgical procedure in an area designated by the Secretary of Health and Human Services, as of December 31 of the prior year as a HPSA.

To be consistent with the original Medicare HPSA physician bonus program, HSIP payments will be calculated by Medicare contractors based on the identification criteria for payment discussed below and paid on a quarterly basis on behalf of the qualifying general surgeon, for the qualifying major surgical procedures. The surgeon's professional services are paid under the PFS based on a claim for professional services.

### *Identification*

Qualifying general surgeons would be identified on a claim in the incentive payment program year for a major surgical procedure based on the primary specialty of 02 of the rendering physician, identified by his or her National Provider Identifier (NPI). If the claim is submitted by a physician group or practice, the

#### Disclaimer

This article was prepared as a service to the public and is not intended to grant rights or impose obligations. This article may contain references or links to statutes, regulations, or other policy materials. The information provided is only intended to be a general summary. It is not intended to take the place of either the written law or regulations. We encourage readers to review the specific statutes, regulations and other interpretive materials for a full and accurate statement of their contents. CPT only copyright 2009 American Medical Association.

rendering physician's NPI must be included on the line-item for the major surgical procedure in order for a determination to be made regarding whether or not the procedure is eligible for payment under the HSIP.

Each year, a list of ZIP codes eligible for automatic payment for the established HPSA bonus is published. This list of ZIP codes will be utilized for automatic payments of the incentive payment for eligible services furnished by general surgeons. Modifier AQ is used to identify circumstances when general surgeons furnish services in areas that are designated as HPSAs as of December 31 of the prior year, but that are not on the list of ZIP codes eligible for automatic payment. Modifier AQ should be appended to the major surgical procedure on claims submitted for payment, similar to the current process for payment of the original Medicare HPSA physician bonus when the HPSA is not a HPSA identified for automatic payment.

CMS is defining major surgical procedures as those for which a 10-day or 90-day global period is used for payment under the PFS.

### *Computation of Payment*

Medicare contractors will compute the payment and pay general surgeons an additional incentive payment 10 percent of the amount actually paid for the service, not the Medicare approved payment amount. Claim adjustment reason code LE will identify the incentive payment as noted on the special remittance generated with the incentive payment.

## **Additional Information**

---

If you have questions, please contact your Medicare carrier and/or MAC at their toll-free number which may be found at <http://www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/provider-compliance-interactive-map/index.html> on the CMS website.

The official instruction, CR 7063, issued to your Medicare Carrier and/or MAC regarding this incentive program may be viewed at <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R2040CP.pdf> on the CMS website.

### **Disclaimer**

This article was prepared as a service to the public and is not intended to grant rights or impose obligations. This article may contain references or links to statutes, regulations, or other policy materials. The information provided is only intended to be a general summary. It is not intended to take the place of either the written law or regulations. We encourage readers to review the specific statutes, regulations and other interpretive materials for a full and accurate statement of their contents. CPT only copyright 2009 American Medical Association.