

DEPARTMENT OF HEALTH AND HUMAN SERVICES
Centers for Medicare & Medicaid Services



REVISED product from the Medicare Learning Network® (MLN)

- ["CMS Website Wheel,"](#) Educational Tool, ICN 006212, Hard Copy.

MLN Matters® Number: 7764

Related Change Request (CR) #: 7764

Related CR Release Date: April 26, 2012

Effective Date: January 1, 2010

Related CR Transmittal #: R2452CP

Implementation Date: October 1, 2012

Anesthesiologist Services with a Modifier GC in a Method II Critical Access Hospital (CAH)

Note: This article was revised on June 6, 2014, to add a reference to MLN Matters® article MM8708 available at <http://www.cms.gov/outreach-and-education/medicare-learning-network-mln/mlnmattersarticles/downloads/MM8708.pdf> which clarifies the payment for reasonable and necessary medical or surgical services performed by an anesthesiologist or CRNA in a Method II Critical Access Hospital. All other information is unchanged.

Provider Types Affected

This MLN Matters® Article is intended for Method II Critical Access Hospitals (CAHs) that bill Medicare contractors (Fiscal Intermediaries (FIs) and A/B Medicare Administrative Contractors (MACs)) for anesthesiologist services provided to Medicare beneficiaries.

Provider Action Needed

This article is based on Change Request (CR) 7764, which implements a revised payment methodology for anesthesiology claims submitted with Modifier GC (Resident /teaching physician service) for CAH Method II providers.

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 2011 American Medical Association.

Key Information from CR7764

Teaching anesthesiologists rendering services in a Method II CAH (also referred to as CAHs that have elected the optional method) have the option of reassigning their billing rights to the CAH. When billing rights are reassigned, the Method II CAH submits an 85x bill type with revenue code 0963 (professional fees for Anesthesiologist (MD)) for payment of the anesthesia services.

Payment is currently calculated for anesthesia services performed by a teaching anesthesiologist with a modifier of GC in a Method II CAH on a 20 percent reduction of the fee schedule amount before deductible and coinsurance are calculated. CR7764 removes the 20 percent reduction that should not be applied in the payment calculation for these services.

Teaching physicians report the GC modifier to indicate that he or she rendered the service in compliance with the teaching physician requirements in the "Medicare Claims Processing Manual," Chapter 12, Section 100.1.2, available at <http://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/downloads//clm104c12.pdf> on the Centers for Medicare & Medicaid Services (CMS) website. One of the payment modifiers must be used in conjunction with the GC modifier. The teaching anesthesiologist should use Modifier AA (Anesthesia services performed by the anesthesiologist) with the GC modifier to report such cases.

Effective for services furnished on or after January 1, 2010, payment may be made under Section 139 of Medicare Improvements for Patients and Providers Act of 2008 (MIPPA) based on the regular fee schedule amount for the teaching anesthesiologist's involvement in the training of residents in either a single anesthesia case or two concurrent anesthesia cases. We are also applying this same policy if the teaching anesthesiologist is involved in one resident case that is concurrent to another case that is paid under the medical direction payment rules.

In order for the special payment rule for teaching anesthesiologists to apply, the teaching anesthesiologist (or different anesthesiologists in the same physician group) must be present during all critical or key portions of the anesthesia service. Where different teaching anesthesiologists in the anesthesia group are present during the key or critical periods, the performing physician, for purposes of claims reporting, is the teaching anesthesiologist who started the case. The teaching anesthesiologist (or another anesthesiologist with whom the teaching anesthesiologist has entered into an arrangement) must be immediately available to furnish anesthesia services during the entire procedure.

You should note that Medicare contractors will not search for and adjust claims that have been paid prior to the implementation date of CR7764. However, contractors will adjust claims brought to their attention.

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 2011 American Medical Association.

Additional Information

The official instruction, CR7764, issued to your FI and A/B MAC regarding this change, may be viewed at <http://www.cms.hhs.gov/Regulations-and-Guidance/Guidance/Transmittals/Downloads/R2452CP.pdf> on the CMS website. You should also review Chapter 12, Section 50 (Payment for Anesthesiology Services) of the "Medicare Claims Processing Manual" at <http://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/downloads/clm104c12.pdf> on the CMS website.

If you have any questions, please contact your FI or A/B MAC at their toll-free number, which may be found at <http://www.cms.hhs.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/downloads/CallCenterTollNumDirectory.zip> 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 2011 American Medical Association.