

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



News Flash –

REVISED products from the Medicare Learning Network® (MLN)

["Medicare Physician Fee Schedule,"](#) Fact Sheet, ICN 006814, Downloadable

MLN Matters® Number: MM7767 **Revised**

Related Change Request (CR) #: CR 7767

Related CR Release Date: March 14, 2012

Effective Date: March 1, 2012

Related CR Transmittal #: R1058OTN

Implementation Date: March 15, 2012

Emergency March 2012 Update, Middle Class Tax Relief and Job Creation Act of 2012 (MCTRJCA) to the CY 2012 Medicare Physician Fee Schedule (MPFS) Database

Note: This article was revised on March 29, 2012, to correct a reference to the CR. In the "What you Need to Know Section", the article referenced CR 7677 instead of CR 7767. All other information is the same.

Provider Types Affected

This MLN Matters® Article is intended for physicians, non-physician practitioners, and providers submitting claims to Medicare contractors (Carriers, Fiscal Intermediaries (FIs), Regional Home Health Intermediaries (RHHIs) and/or Part A/B Medicare Administrative Contractors (A/B MACs)) for professional services provided to Medicare beneficiaries that are paid under the MPFS.

What You Need to Know

This article is based on **Change Request (CR) 7767**, which summarizes the MCTRJCA of 2012. This new law prevents a scheduled payment cut for physicians and other practitioners who treat Medicare patients from taking effect on March 1, 2012. The new law extends the current zero percent update for such services through December 31, 2012. All updates will be reflected in the revised 2012 MPFS. Please be sure your staffs are aware of these changes.

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.

Medicare contractors will not search their files to adjust claims already processed prior to implementation of these changes. However, they will adjust any impacted claims that you bring to their attention.

Background

Payment files were issued to contractors based upon the CY 2012 MPFS Final Rule, published in the Federal Register on November 28, 2011, as modified by the Final Rule Correction Notice, published in the Federal Register on January 4, 2012, and relevant statutory changes applicable January 1, 2012. On December 23, 2011, the Temporary Payroll Tax Cut Continuation Act of 2011 (TPTCCA) became law and suspended the automatic negative update that would have taken effect with current law. TPTCCA temporarily allowed for a zero percent update to the MPFS from January 1, 2012, until February 29, 2012.

On Wednesday, February 22, 2012, President Obama signed into law the *MCTRJCA*, extending the TPTCCA zero percent update to the end of the calendar year, December 31, 2012. This new legislation contains a number of Medicare provisions which change or extend Medicare fee-for-service policies.

This One-Time Notification addresses the specific changes to the payment files resulting from the MCTRJCA effective March 1, 2012. The Centers for Medicare & Medicaid Services (CMS) is also correcting payments for all anesthesia codes for CY 2011 and for the first part of CY 2012.

Medicare Physician Fee Schedule Revisions and Updates

Included in the MCTRJCA are extensions to:

1. The moratorium that allows certain pathologists and independent laboratories to bill for the Technical Component (TC) of physician pathology services furnished to hospital patients through June 30, 2012;
2. The exceptions process for Medicare Therapy Caps; and
3. The continuation of the Medicare Physician Work Geographic Adjustment Floor.

Further, the MCTRJCA discontinues:

1. The Minimum Payment for Bone Mass Measurement; and
2. The Physician Fee Schedule Mental Health 5 percent Add-On Payments.

Extension of Moratorium for Technical Component (TC) for Physician Pathology Services

Under previous law, including, most recently, Section 305 of the TPTCCA, a statutory moratorium allowed pathologists and independent laboratories meeting specific criteria to bill a carrier or an A/B MAC for the TC of physician pathology services furnished to hospital patients. This moratorium was set to expire on February 29, 2012. However, Section 3006 of the MCTRJCA extends the moratorium through June 30, 2012.

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.

Pathologists and independent laboratories that had an arrangement with a hospital that was in effect as of July 22, 1999, under which a laboratory furnished the TC of physician pathology services to fee-for-service Medicare beneficiaries who were hospital inpatients or outpatients, and submitted claims for payment for the TC to a carrier may continue to bill for and receive Medicare payment for these services. This policy is effective for claims with Dates of Service (DOS) through June 30, 2012.

Medicare Therapy Caps Exceptions

Section 3005 of the MCTRJCA extends the exceptions process for Medicare therapy caps, effective for dates of service on and after March 1, 2012, through December 31, 2012. Therapy providers may continue to request an exception to the cap by submitting therapy claims with KX modifiers for services during this period. The KX modifier should continue to be used by providers when they know that the therapy cap has already been met, and documentation exists to substantiate that the therapy services are medically necessary. Your Medicare contractor will continue to process claims containing the KX modifier.

Outpatient Therapy Claims Processing

Section 3005 also requires additional changes to outpatient therapy claims processing beginning October 1, 2012. These changes include (1) the temporary inclusion of therapies provided in outpatient hospital settings to the therapy cap and the exception process, (2) an additional threshold beyond which therapy services require manual medical review, and (3) the reporting of the National Provider Identifier of the physician that reviews the therapy plan of care. The Centers for Medicare & Medicaid Services will issue a separate Change Request detailing the requirements for these October 2012 changes.

Geographic Practice Cost Index

The MCTRJCA extends the TPTCCA continuation of the 1.0 floor on the physician work geographic practice cost index through to the end of the calendar year, December 31, 2012. The March 1, 2012 MPFS database (MPFSDB) will reflect this extension.

Bone Mass Measurement

The MCTRJCA discontinues the Minimum Payment for Bone Mass Measurement, dual-energy x-ray absorptiometry (DXA) services described CPT codes 77080 (Dual-energy X-ray absorptiometry (DXA), bone density study, 1 or more sites; axial skeleton (e.g., hips, pelvis, spine)) and 77082 (Dual-energy X-ray absorptiometry (DXA), bone density study, 1 or more sites; vertebral fracture assessment), effective March 1, 2012. The Bone Mass Measurement payments will be calculated based on a standard PFS methodology for the March 1, 2012, update of the Physician Fee Schedule.

Mental Health Add-On

The MCTRJCA discontinues the 5 percent Mental Health Add-On Payments effective March 1, 2012. The 5 percent increase is no longer reflected in the revised MPFS payment files.

Additional Information

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.

The official instruction, CR 7767, issued to your Medicare Carrier, FI, RHHI or A/B MAC regarding this change may be viewed at <https://www.cms.gov/transmittals/downloads/R1058OTN.pdf> on the CMS website.

If you have any questions, please contact your carrier, FI, RHHI or A/B MAC at their toll-free number, which may be found at <http://www.cms.gov/MLNProducts/downloads/CallCenterTollNumDirectory.zip> on the CMS website.

Additional information about the exception process for therapy services may be found in the “Medicare Claims Processing Manual”, Pub.100-04, Chapter 5, Section 10.3 at <http://www.cms.gov/manuals/downloads/clm104c05.pdf> on the CMS website.

For background and policy information regarding payment to certain pathologists and independent laboratories for the TC of physician pathology services furnished to hospital patients, refer to MLN Matters® Articles MM5943 (www.cms.gov/MLNMattersArticles/downloads/MM5943.pdf) and MM5347 (www.cms.gov/MLNMattersArticles/downloads/MM5347.pdf) on the CMS website.

News Flash - It's Not too Late to Give and Get the Flu Vaccine. Take advantage of each office visit and protect your patients against the seasonal flu. Medicare will continue to pay for the seasonal flu vaccine and its administration for all Medicare beneficiaries through the entire flu season. The Centers for Disease Control and Prevention (CDC) also recommends that patients, healthcare workers and caregivers be vaccinated against the seasonal flu. **Protect your patients. Protect your family. Protect yourself. Get the Flu Vaccine—Not the Flu. Remember: The flu vaccine plus its administration are covered Part B benefits. The flu vaccine is NOT a Part D-covered drug.** For more information on coverage and billing of the flu vaccine and its administration, and related provider resources, visit [2011-2012 Provider Seasonal Flu Resources](#) and [Immunizations](#). For the 2011-2012 seasonal flu vaccine payment limits, visit http://www.CMS.gov/McrPartBDrugAvgSalesPrice/10_VaccinesPricing.asp on the Centers for Medicare & Medicaid Services (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.