

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



News Flash – Has Medicare sent you a notice to revalidate your enrollment? If you are not sure, you can find lists of providers sent notices to revalidate their Medicare enrollment by scrolling to the "Downloads" section at http://www.CMS.gov/MedicareProviderSupEnroll/11_Revalidations.asp on the Centers for Medicare & Medicaid Services (CMS) website. That site currently contains links to lists of providers sent notices from September, 2011 through January, 2012. Information on revalidation letters sent in February will be posted in late March. For ease of reference, the lists are in order by National Provider Identifier and the date the notice was sent.

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Information for Medicare Fee-For-Service Providers About the Middle Class Tax Relief and Job Creation Act of 2012

Provider Types Affected

This MLN Matters® Special Edition Article is intended for all providers who provide Medicare-covered services in the Fee-For-Service (FFS) program.

What You Need to Know

On February 22, 2012, President Obama signed into law the Middle Class Tax Relief and Job Creation Act of 2012 (Job Creation Act). This law, which extended several provisions of the Temporary Payroll Tax Cut Elimination Act of 2011 (Continuation Act), contained several provisions that impact Medicare Fee-For-Service Providers, as outlined below.

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Physician Payment Update

Section 3003 of the Jobs Creation Act extended the zero percent update for claims with dates of service on or after January 1, 2012, to February 29, 2012, all the way through December 31, 2012.

Note: The new law did NOT extend:

- Section 307 of the Continuation Act (the five percent physician fee schedule mental health add-on payment); or
- Section 309 of the Continuation Act (the special 2011 payment rates for bone mass measurements).

The Centers for Medicare & Medicaid Services (CMS) revised the 2012 Medicare Physician Fee Schedule (MPFS) to reflect the expiration of both of these provisions.

This provision does not affect claims with dates of service prior to March 1, 2012. Medicare contractors posted the new mental health and bone density rates no later than March 15, 2012.

Extension of Medicare Physician Work Geographic Adjustment Floor

Section 3004 of the law has extended the existing 1.0 floor on the physician work geographic practice cost index through December 31, 2012. As with the physician payment update, the revised 2012 MPFS will reflect this extension.

Extension of Medicare Modernization Act Section 508 Reclassifications

Section 3001 of the law extends Section 508 reclassifications and certain special exception wage indexes from December 1, 2011, through March 31, 2012.

This Section requires removing Section 508 and special exception wage date from the calculation of the reclassified wage index, if doing so raises the reclassified wage index for this period.

CMS shall assign all hospitals that receive Section 508 reclassifications and inpatient special exception reclassifications to a special wage index effective for October 2011 through March 2012.

CMS shall apply these provisions to both inpatient and outpatient hospital payments.

From January 1, 2012, through June 30, 2012, a special wage index will be applicable for affected hospital outpatient payments, special exception hospitals, and reclassified hospitals.

CMS shall make hospital inpatient and outpatient payments under both Section 302 of the Continuation Act and Section 3001 of the Job Creation Act by June 30, 2012.

Extension of Outpatient Hold Harmless Payments

Section 3002 of the law extends outpatient hold harmless payments through December 31, 2012, for:

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- Rural hospitals, and
- Sole community hospitals with 100 or fewer beds.

Note: The law did NOT extend hold harmless payments for sole community hospitals with more than 100 beds. These payments expired February 29, 2012.

Extension of Exceptions Process for Medicare Therapy Services

Section 3005 of the law extends the exceptions process for outpatient therapy caps from March 1, 2012, through December 31, 2012, with some modifications to current therapy policies.

Outpatient therapy service providers must submit the KX modifier on their therapy claims when they are requesting an exception to the cap for medically necessary services that they furnished through December 31, 2012.

In addition, the new law includes changes related to therapy services that a therapist furnishes in a hospital Outpatient Department (OPD). These changes impact the annual therapy cap in 2012 as well as the applicability of the therapy cap exception process.

CMS will provide more information about the changes that affect hospital OPDs in the future. You can also find additional information about the exception process for therapy services 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.

CMS determines therapy caps on a calendar year basis. Therefore, all beneficiaries began a new cap for outpatient therapy services they received on January 1, 2012. For physical therapy and speech language pathology services combined, the 2012 limit for beneficiary-incurred expenses is \$1,880.

There is a separate cap for occupation therapy services, which is also \$1,880 for 2012.

Deductible and coinsurance amounts for therapy services count toward the accrued amount before a beneficiary reaches the cap and also apply for services above the cap where the provider used the KX modifier.

Section 3005 also mandates that Medicare perform an annual medical review of therapy services that a therapist furnished beginning on October 1, 2012, when the therapist requested an exception when the beneficiary reached a dollar aggregate threshold amount of \$3,700, including OPD therapy services, for a year.

There are two separate \$3,700 aggregate annual thresholds: one for physical therapy and speech-language pathology services, and another for occupational therapy services.

Finally, Section 3005 requires that claims for all therapy services that therapists furnish on or after October 1, 2012, include the National Provider Identifier (NPI) of the physician who reviews the therapy plan. CMS will issue additional information about all of these new requirements later this year.

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Extension of Moratorium on Qualified Pathologists and Independent Laboratory Billing for the Technical Component of Physician Pathology Services Furnished to Hospital Patients

Section 3006 of the law extends the moratorium through June 30, 2012. Therefore, those qualified pathologists and independent laboratories that are eligible may continue to submit claims for the technical component of physician pathology services that they furnish to hospital patients, regardless of the beneficiary's hospitalization status (inpatient or outpatient) on the date they furnish the service.

This policy continues to be effective for claims with dates of service on or after March 1, 2012, through June 30, 2012.

Extension of Ambulance Add-On Payments

Section 3007 of the law extends the following Continuation Act ambulance payment provisions through December 31, 2012:

- The three percent increase in the ambulance fee schedule amounts for covered ground ambulance transports that originate in rural areas and the 2 percent increase for covered ground ambulance transports that originate in urban areas;
- The provision relating to air ambulance services that continues to treat any area that was designated as rural on December 31, 2006, as rural for purposes of payment under the ambulance fee schedule; and
- The provision relating to payment for ground ambulance services that increases the base rate for transports that originate in an area that is within the lowest 25th percentile of all rural areas arrayed by population density (known as the "super rural" bonus).

Suppliers of ambulance services that this provision affects may continue billing as usual.

Additional Information

If you have questions, please contact your Medicare contractor at their toll-free number, which may be found at <http://www.cms.gov/MLNProducts/downloads/CallCenterTollNumDirectory.zip> on the CMS website.

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