

MLN Matters Number: MM3822

Related Change Request (CR) #: 3822

Related CR Release Date: May 6, 2005

Effective Date: Claims received on or after October 1, 2005

Related CR Transmittal #: 556

Implementation Date: October 3, 2005

Revision to Health Professional Shortage Area (HPSA) and Physician Scarcity Area (PSA) Payment Rules

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

Provider Types Affected

Physicians billing carriers for services provided in designated HPSAs or in PSAs

Provider Action Needed



STOP – Impact to You

This article includes information from Change Request (CR) 3822, which instructs Medicare carriers to allow payment of the bonus on just the professional component of services that have a Professional Component (PC)/Technical Component (TC) indicator of 1 (even when a global service code is submitted).



CAUTION – What You Need to Know

Effective for claims received on or after October 1, 2005, when carriers will accept claims for a service with a PC/TC of 1 and the service is provided in a HPSA or PSA and consider those claims for the bonus payment. For claims received prior to October 1, 2005, please refer to CR 3827 and the MLN Matters article MM3827, which is located at <http://www.cms.gov/outreach-and-education/medicare-learning-network-mln/mlnmattersarticles/downloads/MM3827.pdf> on the CMS website.



GO – What You Need to Do

See the *Background* section of this article to find out further details regarding this change.

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Background

Currently, physicians may not receive the HPSA or Physician Scarcity Area PSA bonus payments on globally billed services.

CR3822 revises this policy and allows the payment of the bonus on just the professional component of services that have a Professional Component (PC)/Technical Component (TC) indicator of 1 even when a global service code is submitted. Effective for claims received on or after October 1, 2005, when carriers receive a claim for a service with a PC/TC of 1 and the service is provided in a HPSA or PSA bonus payment area, they shall accept the claim *and pay the bonus on the professional component of the service*.

CR3822 instructs your carrier(s) to:

- Make any necessary revision to their systems to be able to calculate the bonus payment just for the professional component of the service. This action must be taken for bonuses paid automatically as well as bonuses paid based on the submission of the following modifiers:
 - QB (physician providing a service in a rural HPSA),
 - QU (physician providing a service in an urban HPSA), and
 - AR (Physician providing services in a PSA) modifiers
- Continue to pay the service, but still withhold bonuses for physicians who have indicated that they do not want to receive the bonus payments; and
- Continue to reject as unprocessable those services that have a PC/TC of 4 (Global test only - only the professional component of the service qualifies for the bonus payment). The Physician/provider needs to re-bill the service as separate professional and technical component procedure codes.

Additional Information

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/R556CP.pdf> on the CMS website.

You may also want to look at CR3827 and review the related material in that CR on claims received prior to October 1, 2005. (CR 3822 relates to claims received on or after October 1, 2005.) This CR may be found at <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R559CP.pdf> on the CMS website.

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If you have any questions, please contact your carrier 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.

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