Health Professional Shortage Area (HPSA) Bonus Payment Policy Changes

Note: This article was revised on January 17, 2018, to update Web addresses. All other information remains the same.

Provider Types Affected

Physicians and providers submitting claims to Medicare Carriers, Medicare Administrative Contractors (A/B MACs), and/or Fiscal Intermediaries (FIs) for services provided to Medicare beneficiaries in areas designated as geographic HPSAs.

Provider Action Needed

This article is based on Change Request (CR) 6106 and informs providers who are serving Medicare beneficiaries in areas that were eligible on December 31 of the prior year for the HPSA bonus but not on the automated ZIP code list to use the AQ modifier to receive the HPSA bonus payment. Make sure billing staff are aware of the clarified criteria for proper use of the AQ modifier.

Background

The Section 1833(m) of the Social Security Act provides for an additional 10 percent bonus payment for physicians’ services furnished to a covered individual in an area that is designated as a geographic HPSA prior to the beginning of the year in which the services were provided. Such HPSA areas are identified by the Secretary of the Department of Health and Human Services prior to the beginning of such year. The Centers for Medicare & Medicaid Services (CMS) posts a file annually of ZIP codes within which the HPSA bonus payment should be made automatically. Physicians furnishing services in areas that were eligible for the HPSA bonus prior to the beginning of the year but not on the automated list have been instructed to use the AQ modifier to receive the HPSA bonus payment.

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.
Key Points

- Effective for claims with dates of service on or after January 1, 2009, only services furnished in areas that are designated as geographic HPSAs as of December 31 of the prior year are eligible for the HPSA bonus payment.

- Services furnished in areas that are designated at any time during the current year will not be eligible for the HPSA bonus payment until the following year, provided they are still designated on December 31.

- If you are providing services to Medicare beneficiaries in areas that are designated on December 31 of the prior year but not included on the list of zip codes eligible for automated HPSA bonus payments make certain you use the AQ modifier to receive the HPSA bonus payment.

- Remember, your Medicare Contractor will automatically make a HPSA bonus payment to physicians providing eligible services in a ZIP code included in the annual file.

Additional Information

If you have questions, please contact your Medicare Carrier, FI or A/B 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.

For complete details regarding this Change Request (CR) please see the official instruction (CR6106) issued to your Medicare A/B MAC, carrier or FI. That instruction may be viewed by going to http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R1639CP.pdf on the CMS website.

Document History

- December 2, 2008 – Initial article released.
- January 17, 2018 – The article is revised to update Web addresses. All other information remains the same.

Copyright © 2017, the American Hospital Association, Chicago, Illinois. Reproduced with permission. No portion of the AHA copyrighted materials contained within this publication may be copied without the express written consent of the AHA. AHA copyrighted materials including the UB-04 codes and descriptions may not be removed, copied, or utilized within any software, product, service, solution or derivative work without the written consent of the AHA. If an entity wishes to utilize any AHA materials, please contact the AHA at 312-893-6816. Making copies or utilizing the content of the UB-04 Manual, including the codes and/or descriptions, for internal purposes, resale and/or to be used in any product or publication; creating any modified or derivative work of the UB-04 Manual and/or codes and descriptions; and/or making any commercial use of UB-04 Manual or any portion thereof, including the codes and/or descriptions, is only authorized with an express license from the American Hospital Association. To license the electronic data file of UB-04 Data Specifications, contact Tim Carlson at (312) 893-6816 or Laryssa Marshall at (312) 893-6814. You may also contact us at ub04@healthforum.com

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.
The American Hospital Association (the “AHA”) has not reviewed, and is not responsible for, the completeness or accuracy of any information contained in this material, nor was the AHA or any of its affiliates, involved in the preparation of this material, or the analysis of information provided in the material. The views and/or positions presented in the material do not necessarily represent the views of the AHA. CMS and its products and services are not endorsed by the AHA or any of its affiliates.

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.