



**News Flash** – The Medicare Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Competitive Bidding Program is scheduled to begin in nine Competitive Bidding Areas (CBAs) on January 1, 2011. Referral agents located in CBAs who prescribe DMEPOS for beneficiaries or refer beneficiaries to specific suppliers will need to be aware of which suppliers in the area are contract suppliers as well as other important referring information. Referral agents include such entities as Medicare enrolled providers, physicians, treating practitioners, discharge planners, social workers, and pharmacists who refer beneficiaries for services in a CBA. More information for referral agents can be found in the new Medicare Learning Network® (MLN) fact sheet “The DMEPOS Competitive Bidding Program: Fact Sheet for Referral Agents” located at <http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/DMEPOSCompetitiveBid/index.html> on the CMS website. This fact sheet is also available to order in hardcopy, free of charge. To order your copy, please visit the MLN homepage at <http://go.cms.gov/MLNGenInfo> on the CMS website.

MLN Matters® Number: MM7146 Revised

Related Change Request (CR) #: 7146

Related CR Release Date: October 28, 2010

Effective Date: April 1, 2011

Related CR Transmittal #: R2078CP

Implementation Date: April 4, 2011

## **Incentive Payment Program for Major Surgical Procedures Furnished in Health Professional Shortage Areas (HPSAs), Section 5501(b) of The Affordable Care Act, Payment to a Critical Access Hospital (CAH) Paid under the Optional Method**

**Note:** This article was updated on December 11, 2012, to reflect current Web addresses. This article was previously revised on December 6, 2011, to add a reference to MLN Matters® article MM7561 (<http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/downloads/MM7561.pdf>), which announces that effective April 1, 2012, the Special Remittance Advice for quarterly HPSA, PCIP, and HSIP is being revised to include a summary page of each type of incentive amount paid to the provider by NPI. All other information remains the same.

### **Provider Types Affected**

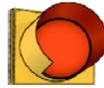
This article is for general surgeons and CAHs submitting claims to Medicare contractors (Fiscal Intermediaries (FIs) and/or A/B Medicare Administrative Contractors (A/B MACs)) for services provided in HPSAs to Medicare beneficiaries.

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## Provider Action Needed

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### STOP – Impact to You

This article is based on Change Request (CR) 7146 regarding the new HPSA Surgical Incentive Payment Program (HSIP) and the new Primary Care Incentive Payment Program (PCIP) that will be implemented in conjunction with one another for Calendar Year (CY) 2011.



### CAUTION – What You Need to Know

CR7115 gives specific requirements for the PCIP, and CR7146 includes the business requirements for the actions and costs associated with these incentive payments. Once CR7115 is released, a related MLN Matters® article will be available at <http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/downloads/MM7115.pdf> on the Centers for Medicare & Medicaid Services (CMS) website.



### GO – What You Need to Do

See the Background and Additional Information Sections of this article for further details regarding these changes.

## Background

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The Affordable Care Act (Section 5501(b)) ([http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=111\\_cong\\_public\\_laws&docid=f:publ148.111.pdf](http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=111_cong_public_laws&docid=f:publ148.111.pdf)) revises The Social Security Act (Section 1833(m); [http://www.ssa.gov/OP\\_Home/ssact/title18/1833.htm](http://www.ssa.gov/OP_Home/ssact/title18/1833.htm)) and authorizes an incentive payment program for major surgical services furnished by general surgeons in Health Professional Shortage Areas (HPSAs). The section provides for additional payments (on a monthly or quarterly basis) in an amount equal to 10 percent of the payment for physicians' professional services under Part B.

The incentive payment also applies to surgical procedures (defined as 10 - and 90 - day global procedures on the Payment Policy Indicator File) furnished in an area designated as a HPSA (on or after January 1, 2011, and before January 1, 2016) by an 02-general surgeon who has reassigned their billing rights to a Critical Access Hospital (CAH) paid under the optional method.

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The HPSA areas are those ZIP codes designated as such by The Secretary of Health and Human Services as of December 31 of the prior year. This list of ZIP codes is also utilized for automatic payments under the HSIP program.

Modifier AQ should be appended to the 10 - or 90 - day global surgical procedure on claims submitted for payment, similar to the current process for payment of the Medicare HPSA physician bonus when the HPSA is not a HPSA identified for automatic payment.

Medicare Contractors will use the existing HPSA modifier (AQ) submitted on claims along with the physician specialty code 02 to identify circumstances when general surgeons furnish services in areas that are designated as HPSAs as of December 31 of the prior year, but that are not on the list of ZIP codes eligible for automatic payment.

Information regarding the Payment Policy Indicator File and other aspects of the Medicare Physician Fee Schedule is available at <http://www.cms.gov/apps/physician-fee-schedule/overview.aspx> on the CMS website.

To be consistent with the Medicare HPSA physician bonus program, HSIP payments are calculated by Medicare contractors based on the identification criteria for payment discussed below and paid on a quarterly basis to CAHs, on behalf of the qualifying general surgeon for the qualifying surgical procedures.

The additional HSIP payment will be combined, as appropriate, with the HPSA physician bonus payment. The special remittance advice for the incentive payments to CAHs will be revised to inform CAHs as to the type(s) of incentive payments, i.e., the HPSA physician, HSIP, or PCIP. In addition the remittance for the optional method CAHs will identify the NPI of the surgeon in the "operating provider" field.

### *Coordination with Other Payments*

The Affordable Care Act (Section 5501(b)(4)) provides payment under the HSIP as an additional payment amount for specified surgical services without regard to any additional payment for the service under The Social Security Act (Section 1833(m)). Therefore, a general surgeon may receive both a HPSA physician bonus payment under the established program and an HSIP payment under the new program beginning in CY 2011.

**NOTE:** The current HPSA physician bonus program requirements for contractors will remain intact. The additions mentioned in the requirements below are for the HSIP and are based on The Affordable Care Act.

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### *Payment to Critical Access Hospitals (CAHs)*

Physicians and non-physician practitioners billing on Type of Bill (TOB) 85X (CAH) for professional services rendered in a CAH paid under the optional method have the option of reassigning their billing rights to the CAH. When the billing rights are reassigned to CAHs paid under the optional method, payment is made for professional services (revenue codes (RC) 96X, 97X or 98X).

For major surgical services furnished on January 1, 2011, and before January 1, 2016, CAHs paid under the optional method will be paid an additional 10 percent incentive based on the amount actually paid for those services when furnished by general surgeons in HPSAs. Quarterly incentive payments will be made to CAHs paid under the optional method on behalf of physicians.

### **Additional Information**

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The official instruction, CR7146, issued to your FIs and/or A/B MACs regarding this change may be viewed at <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R2078CP.pdf> on the CMS website.

If you have any questions, please contact your FIs and/or A/B MACs 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.

**News Flash - Each Office Visit is an Opportunity.** Medicare patients give many reasons for not getting their annual flu vaccination, but the fact is that there are 36,000 flu-related deaths in the United States each year, on average. More than 90% of these deaths occur in people 65 years of age and older. Please talk with your Medicare patients about the importance of getting their annual flu vaccination. This Medicare-covered preventive service will protect them for the entire flu season. And remember, vaccination is important for health care workers too, who may spread the flu to high risk patients. **Don't forget to immunize yourself and your staff. Protect your patients. Protect your family. Protect yourself. Get Your Flu Vaccine - Not the Flu.** Remember – Influenza vaccine plus its administration are covered Part B benefits. Note that influenza vaccine is NOT a Part D covered drug. For information about Medicare's coverage of the influenza vaccine and its administration, as well as related educational resources for health care professionals and their staff, please visit [http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/downloads/Flu\\_Products.pdf](http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/downloads/Flu_Products.pdf) and <http://www.cms.gov/Medicare/Prevention/Immunizations/index.html> on the CMS website.

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