

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



**News Flash** – On March 31, 2011, The Centers for Medicare & Medicaid Services (CMS) published in the Federal Register proposed rule CMS-1345-P, Medicare Program; Medicare Shared Savings Program: Accountable Care Organizations that implement the Medicare Shared Savings Program (Shared Savings Program) and establish the requirements for Accountable Care Organizations. CMS has launched a dedicated web page at <http://www.cms.gov/sharedsavingsprogram> for Medicare Fee-For-Service providers and other providers of services and supplies. You may want to bookmark the web page and check back often, as CMS continues to add information on the program.

MLN Matters® Number: MM7361

Related Change Request (CR) #: N/A

Related CR Release Date: April 27, 2011

Effective Date: October 1, 2011

Related CR Transmittal #: R2202CP

Implementation Date: October 3, 2011

## **Section 1833 (a)(1)(F) of the Social Security Act - Payment of Licensed Clinical Social Worker (LCSW) in a Method II Critical Access Hospital (CAH)**

### **Provider Types Affected**

This article is for Licensed Clinical Social Workers (LCSWs) who bill Medicare Fiscal Intermediaries (FIs) or Medicare Administrative Contractors (MACs) for services provided to Medicare beneficiaries in a Method II Critical Access Hospital (CAH).

### **Provider Action Needed**



#### **STOP – Impact to You**

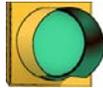
This article is based on Change Request (CR) 7361 which outlines how LCSW payments are calculated by Medicare payments for services for which the LCSW reassigns his or her billing rights to Method II CAH, effective for claims with dates of service on or after October 1, 2011.

#### **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 2010 American Medical Association.

**CAUTION – What You Need to Know**

Payments are made by Medicare for the services of a LCSW when the procedure is billed on type of bill 85X with revenue code (RC) 96X, 97X, or 98X and the AJ modifier (clinical social worker).

**GO – What You Need to Do**

Make certain your billing staffs are aware of the payment calculations described in the Background Section of this article.

## Background

---

The Centers of Medicare & Medicaid Services (CMS) in the Medicare Claims Processing Manual Chapter 4 Section 250.12 outlines the following:

- The services of a LCSW that has reassigned billing rights to a Method II CAH are payable by Medicare when the procedure is billed on type of bill 85X with revenue code (RC) 96X, 97X, or 98X and the AJ modifier (clinical social worker);
- Under Section 1834(g)(2)(B) of the Social Security Act (the Act) outpatient professional services performed in a Method II CAH are paid 115 percent of such amounts as would otherwise be paid under the Act if the services were not included in the outpatient CAH services;
- Section 1833 (a)(1)(F) of the Act stipulates that payment for services performed by a LCSW shall be 80 percent of the lesser of the actual charges for the services or 75 percent of the amount determined for the payment of a psychologist; and
- Payment is calculated as follows: facility specific Medicare Physician Fee Schedule amount times the LCSW reduction (75%) minus (deductible and coinsurance) times 115%.

## Additional Information

---

The official instruction, CR 7361, issued to your FI or A/B MAC regarding this change may be viewed at <http://www.cms.gov/Transmittals/downloads/R2202CP.pdf> on the CMS website. If you have any questions, please contact your Medicare contractor at their toll-free number, which is at <http://www.cms.gov/MLNProducts/downloads/CallCenterTollNumDirectory.zip> on the 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 2010 American Medical Association.