

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



The new publication titled "Annual Wellness Visit" is now available in downloadable format from the Medicare Learning Network® at http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/downloads/Annual_Wellness_Visit.pdf on the Centers for Medicare & Medicaid Services (CMS) website. This brochure is designed to provide education on the Annual Wellness Visit, providing Personalized Prevention Plan Services, at no cost to the beneficiary, so beneficiaries can work with their physicians to develop and update their personalized prevention plan.

MLN Matters® Number: MM7465

Related Change Request (CR) #:7465

Related CR Release Date: August 1, 2011

Effective Date: January 1, 2008

Related CR Transmittal #: R2268CP

Implementation Date: January 3, 2012

Anesthesiologist Services in a Method II Critical Access Hospital (CAH)

Note: This article was revised on June 6, 2014, to add a reference to MLN Matters® article MM8708 available at <http://www.cms.gov/outreach-and-education/medicare-learning-network-mln/mlnmattersarticles/downloads/MM8708.pdf> which clarifies the payment for reasonable and necessary medical or surgical services performed by an anesthesiologist or CRNA in a Method II Critical Access Hospital. All other information is unchanged.

Provider Types Affected

This MLN Matters® Article is intended for Method II Critical Access Hospitals (CAHs) billing Medicare Administrative Contractors (A/B MACs) and/or Fiscal Intermediaries (FIs) for anesthesiologists that have reassigned their billing rights to the CAH on type of bill 85X with revenue code 0963, modifier AA (professional fees for Anesthesiologist (MD)) for payment of the anesthesia services rendered to Medicare beneficiaries.

What You Need to Know

This article is based on Change Request (CR) 7465 and alerts providers that the Centers for Medicare & Medicaid Services (CMS) is issuing CR7465 to highlight the revision to the "Medicare Claims Processing Manual," Chapter 4, Section 250.3.2: "Physician Rendering

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Anesthesia in a Hospital Outpatient Setting.” This revision eliminates the 20% reduction applied to anesthesia services rendered by Anesthesiologists in a Method II CAH, effective for such services on or after January 1, 2008.

Background

Physicians billing on type of bill 85X for professional services rendered in a Method II CAH have the option of reassigning their billing rights to the CAH. Currently payment is calculated for anesthesia services performed by an Anesthesiologist with a modifier of AA in a Method II CAH on a 20 percent reduction of the fee schedule amount before deductible and coinsurance are calculated. CR7465 removes the 20 percent reduction that should not be applied in the payment calculation for these services.

Key Points

- For dates of services on or after January 1, 2008, contractors will pay for anesthesia services (CPT codes 00100 through 01999) submitted by a Method II CAH on an 85X bill type with revenue code of 963 and modifier AA based on the lesser of the actual charges or the fee schedule amount as follows: ((Sum of base units plus time (anesthesia time divided by 15)) times conversion factor minus deductible times 0.80 times 1.15.
- Medicare contractors will not search for and adjust claims that have been paid prior to the implementation date. However, they will adjust such claims that you bring to their attention.

Additional Information

The official instruction, CR7465 issued to your carrier, A/B MAC, and FI regarding this change may be viewed at <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R2268CP.pdf> on the CMS website.

If you have any questions, please contact your carrier, A/B MAC, or FI 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.

You may want to review MM7764 available at <http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/downloads/MM7764.pdf>, which alerts providers to the revised payment methodology for anesthesiology claims submitted with modifier GC (resident/teaching physician service) for Method II CAH providers.

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