DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare & Medicaid Services

News Flash – On November 17, 2011, the Centers for Medicare & Medicaid Services' Office of E-Health Standards and Services (OESS) announced that it would not initiate enforcement with respect to any Health Insurance Portability and Accountability Act (HIPAA) covered entity that is not in compliance on January 1, 2012, with the ASC X12 Version 5010 (Version 5010), National Council for Prescription Drug Programs (NCPDP) Telecom D.0 (NCPDP D.0) and NCPDP Medicaid Subrogation 3.0 (NCPDP 3.0) standards until March 31, 2012. Notwithstanding OESS' discretionary application of its enforcement authority, the compliance date for use of these new standards remains January 1, 2012. (Small health plans have until January 1, 2013, to comply with NCPDP 3.0.

MLN Matters® Number: MM7703

Related Change Request (CR) #: CR 7703

Related CR Release Date: February 3, 2012

Effective Date: July 1, 2012

Related CR Transmittal #: R1040OTN

Implementation Date: July 2, 2012

Interaction of the Multiple Procedure Payment Reduction (MPPR) on Imaging Procedures and the Outpatient Prospective Payment System (OPPS) Cap on the Technical Component (TC) of Imaging Procedures

Provider Types Affected

Physicians, providers, and suppliers submitting professional claims to Medicare contractors (carriers and/or A/B Medicare Administrative Contractors (A/B MACs)) for providing diagnostic imaging services to Medicare beneficiaries.

Provider Action Needed

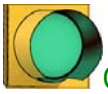
STOP – Impact to You

This article is based on Change Request (CR) 7703 which announces that, effective January 1, 2012, the Centers for Medicare & Medicaid Services (CMS) is discontinuing the use of the "global cap" amount in calculating global payments of certain diagnostic imaging procedures. Medicare implemented the Multiple Procedure Payment Reduction (MPPR) rule on the TC of certain diagnostic

imaging procedures effective January 1, 2006, and CR7703 is a reminder that effective January 1, 2012, the MPPR will also be applied to the Professional Component (PC) of such services.

 CAUTION – What You Need to Know

The MPPR rule applies to PC-only services, to TC-only services, and to PC and TC portions of global services. Full payment is made for the PC service with the highest payment under the Medicare Physician Fee Schedule (MPFS). Payment is made at 75 percent for subsequent PC services furnished by the same physician to the same patient in the same session on the same day. Full payment is made for the TC service with the highest payment under the MPFS. Payment is made at 50 percent for subsequent TC services furnished by the same physician to the same patient in the same session on the same day. The individual PC and TC services with the highest payments under the MPFS of globally billed services must be determined in order to calculate the reduction.

 GO – What You Need to Do

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

Background

The Deficit Reduction Act of 2005 (Section 5102(b); see http://www.govtrack.us/congress/billtext.xpd?bill=s109-1932 on the Internet) provided for capping the payment for the TC of certain diagnostic imaging procedures based on the Outpatient Prospective Payment System (OPPS) payment.

The MPPR rule on diagnostic imaging applies when multiple services are furnished by the same physician to the same patient in the same session on the same day, and it is applied prior to the application of the OPPS cap. Medicare implemented the MPPR on the TC of certain diagnostic imaging procedures effective January 1, 2006, and effective January 1, 2012, the MPPR is also applied to the PC of such services.

Currently, global services are compared against a "global cap" derived from adding the TC capped amount to the PC. However, with the implementation of the MPPR on the PC, this could result in a situation where, although the global payment amount is lower than the "global cap" amount, the TC is higher than the TC cap amount and is not appropriately being reduced. Therefore, CR7703 announces that CMS is discontinuing calculation and use of the "global cap" amount.

The TC of global services, and TC-only services, will be compared to the OPPS cap amount on the TC to determine the lower of the two.
Full payment is made for the PC service with the highest payment under the MPFS. Payment is made at 75 percent for subsequent PC services furnished by the same physician to the same patient in the

same session on the same day. Full payment is made for the TC service with the highest payment under the MPFS. Payment is made at 50 percent for subsequent TC services furnished by the same physician to the same patient in the same session on the same day. The individual PC and TC services with the highest payments under the MPFS of globally billed services must be determined in order to calculate the reduction.

Additional Information

The official instruction, CR7703, issued to your carriers and A/B MACs, regarding this change, may be viewed at http://www.cms.gov/transmittals/downloads/R1040OTN.pdf on the CMS website.

If you have any questions, please contact your carriers or A/B MACs at their toll-free number, which may be found at http://www.cms.gov/MLNProducts/downloads/CallCenterTollNumDirectory.zip on the CMS website.

News Flash: It's Not too Late to Give and Get the Flu Vaccine. Take advantage of each office visit and protect your patients against the seasonal flu. Medicare will continue to pay for the seasonal flu vaccine and its administration for all Medicare beneficiaries through the entire flu season. The Centers for Disease Control and Prevention (CDC) also recommends that patients, healthcare workers and caregivers be vaccinated against the seasonal flu. Protect your patients. Protect your family. Protect yourself. Get the Flu Vaccine—Not the Flu. Remember: The flu vaccine plus its administration are covered Part B benefits. The flu vaccine is NOT a Part D-covered drug. For more information on coverage and billing of the flu vaccine and its administration, and related provider resources, visit 2011-2012 Provider Seasonal Flu Resources and Immunizations. For the 2011-2012 seasonal flu vaccine payment limits, visit http://www.CMS.gov/McrPartBDrugAvgSalesPrice/10_VaccinesPricing.asp on the Centers for Medicare & Medicaid Services (CMS) website.