

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



**News Flash** – If you are a Medicare Fee-For-Service (FFS) physician, provider, or supplier submitting claims to Medicare for payment, this is very important information you need to know. Effective immediately, any Medicare Fee-For-Service claim with a date of service on or after January 1, 2010, must be received by your Medicare contractor no later than one Calendar Year (12 months) from the claim’s date of service – or Medicare will deny the claim. For additional information, see Medicare Learning Network (MLN) Matters® Articles MM6960 at <http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/downloads/MM6960.pdf> and MM7080 at <http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/downloads/MM7080.pdf> on the Centers for Medicare & Medicaid Services (CMS) website.

MLN Matters® Number: SE1109 **Revised**

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Implementation Date: January 1, 2011

### Summary Information Regarding Medicare's Primary Care Incentive Payment Program (PCIP)

**Note:** This article was updated on April 30, 2014 to include links to the most current articles that reflect the changes in Medicare policy that have occurred since SE1109 was published in 2011.

#### Provider Types Affected

Physicians and nonphysician practitioners (NPPs), who bill Medicare Carriers or Medicare Administrative Contractors (A/B MACs) for primary care services rendered to Medicare beneficiaries, are affected by this information.

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At the time this article was first published in 2011, the information reflected Medicare policy correctly. Since then Medicare rules have changed and new articles have been published. See the Additional Information section for the updated publications detailing what providers need to know in order to remain current.

## What You Need to Know

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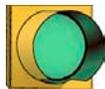
### STOP – Impact to You

The Affordable Care Act provides for a 10 percent Medicare incentive payment to eligible physicians and NPPs for specified primary care services effective for services furnished on or after January 1, 2011, and before January 1, 2016. Payments will be made on a quarterly basis.



### CAUTION – What You Need to Know

The Centers for Medicare & Medicaid Services (CMS) published several recent articles informing you about Section 5501(a) of The Affordable Care Act, which provides for an incentive payment for primary care services furnished on or after January 1, 2011, and before January 1, 2016, by a primary care physician or NPP. These articles explain how the program would pay the incentive payment to eligible primary care physicians and NPPs, including newly enrolled physicians and NPPs, who furnish primary care services in various settings. You may review these articles, which are listed in the Additional Information section below.



### GO – What You Need to Do

The background section of this article provides answers to common questions for physicians and NPPs on the Primary Care Incentive Payment Program (PCIP).

## Background

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CMS has compiled the following list of questions and answers to respond to the inquiries it has received on the PCIP:

### **Q1. How does Section 5501(a) of the Affordable Care Act change Medicare?**

A1. Beginning with services rendered on or after January 1, 2011 and continuing through December 31, 2015, Section 5501(a) of the Affordable Care Act authorizes an incentive payment of 10 percent of Medicare's program payments to be paid to qualifying primary care physicians and NPPs who furnish specified primary care services. **(Please note:** coinsurance, copayments, and deductibles are not included in the calculation of PCIP incentive payments).

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**Q2. Which Medicare specialty designations may potentially qualify as primary care physicians or NPPs?**

A2. A potentially qualified primary care physician or NPP, as defined in Section 1833 (x) of the Social Security Act, is a physician with a Medicare specialty designation of family medicine, internal medicine, geriatric medicine, or pediatric medicine or an NPP with a specialty designation of Nurse Practitioner (NP), Clinical Nurse Specialist (CNS), or Physician Assistant (PA).

**Q3. How can I confirm my primary specialty designation in Medicare?**

A3. You may contact your Medicare claims processing contractor to confirm your primary Medicare specialty designation. Medicare allows two specialty designations upon enrollment' however, PCIP payment eligibility is only determined on the primary specialty designation.

**Q4. What are the additional qualifying criteria for the primary care incentive payment program?**

A4. Physicians and NPPs of a potentially qualifying specialty whose primary care percentage from historical claims data for the specified period, calculated as primary care allowed charges divided by the total Physician Fee Schedule (PFS) allowed charges excluding hospital inpatient and emergency department visits, and then multiplied by 100, exceeds 60 percent will be eligible for the PCIP.

For established physicians and NPPs enrolled in the Medicare program two years prior to the PCIP payment year, the primary care percentage is calculated based on claims data from 2 years prior to the PCIP payment year. Medicare annually identifies the national provider identification numbers (NPIs) of qualified primary care physician and nonphysician practitioners for each PCIP payment year.

**Q5. What are the specific primary care services that are eligible for incentive payments?**

A5. The specific services are defined by the following Current Procedural Terminology (CPT) codes:

- 99201 through 99215 (office and other outpatient visits).
- 99304 through 99340 (nursing facility, domiciliary, rest home, or custodial care).
- 99341 through 99350 (home services).

Only the services reflected in the CPT ranges above will be eligible for primary care incentive payments.

**Q6. What if I am a physician or NPP newly enrolled in Medicare and do not have claims data from two years prior to the PCIP payment year?****Disclaimer**

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A6. For newly enrolled Medicare practitioners who do not have claims data from two years prior to the PCIP payment year upon which an eligibility determination can be made, Medicare will make PCIP eligibility determinations based upon the claims data from the year before the PCIP payment year. There is no minimum amount of claims data required from that year and eligibility determination will be made based on the claims data available, with no minimum time period.

Due to the lag-time in processing claims, PCIP eligibility for new physicians and NPPs will be determined after the close of the third quarter of the PCIP payment year and a single cumulative PCIP payment for all eligible primary care services furnished in the PCIP payment year by that newly enrolled, eligible primary care physician or NPP will be made after the close of the fourth quarter of the PCIP payment year. For specific implementation instructions for this provision, see MLN Matters® article MM7267 referenced in the Additional Information section below.

**Q7. How can I verify my percentage of primary care services from the claims data year used for eligibility determination (for example, CY 2009 data for the CY 2011 PCIP payment year)?**

A7. You may contact your Medicare claims processing contractor to confirm your percentage of primary care services for CY 2009.

**Q8. Do I need to enroll in the PCIP program to participate?**

A8. No, there is no enrollment process for participation in the PCIP. The NPIs of qualified primary care physicians and NPPs are identified by CMS based on an analysis of historical Medicare claims.

**Q9. How can I confirm that I am eligible for the PCIP?**

A9. In the beginning of the PCIP payment year, each Medicare claims processing contractor is provided a national PCIP eligibility file that identifies the NPIs of all eligible primary care physicians and NPPs. If your NPI is on the list, you are automatically eligible for PCIP payments in the applicable PCIP payment year. This file may be viewed on your Medicare contractor's website.

**Q10. If I qualify for the PCIP payments in Calendar Year (CY) 2011, will I have to qualify again for the remaining PCIP payment years?**

Q10. Yes, each physician or NPP must requalify for each PCIP payment year. Eligibility for established physicians and NPPs is determined using claims data from the most recent full calendar year (CY) of data available. For example, CY 2011 PCIP payment year eligibility was determined based on PFS claims from CY 2009.

**Q11. What if I have changed Medicare claims processing contractors in the past two years?**

A11. Medicare combines claims data for each NPI across all contractors and sites of services (for example, CAH and office) in the development of the national PCIP eligibility

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file. Each claims processing contractor handling claims in the PCIP payment year for an eligible NPI will make PCIP payments based on the eligible primary care services processed by that contractor and attributed to the eligible NPI in the PCIP payment year.

**Q12. Whom may I contact if I have questions regarding my PCIP eligibility status?**

A12. If you have questions regarding PCIP eligibility, you may contact your Medicare claims processing contractor contact center support. They will be able to confirm your primary Medicare specialty designation and your percentage of primary care services in the claims year used for eligibility determination (for example, CY 2009 for the CY 2011 PCIP payment year).

**Q13. Do I need to identify PCIP participation on submitted claims?**

A13. No, services eligible for PCIP payment are identified based on the qualifying physician's or NPP's NPI on the claim and the CPT codes for eligible primary care services.

**Q14. What if I am part of a physician group?**

A14. If you are part of physician group, you are still eligible for primary care incentive payments if you qualify based on your own specialty and primary care percentage. The rendering eligible primary care physician's or NPP's NPI and the primary care services on the claim identify the services as eligible for PCIP payment.

**Q15. What if I am a qualifying physician or NPP who has reassigned my Medicare billing rights to a Critical Access Hospital (CAH)?**

A15. Primary care incentive payments will be made to CAHs of behalf of qualifying primary care physicians and NPPs. The rendering physician or NPP is identified on the CAH claim by the NPI in the "other provider" field and the eligible primary care services are identified by the CPT codes.

**Q16. How often will PCIP payments be made?**

A16. Primary care incentive payments will be made quarterly.

**Q17. Will this incentive payment be coordinated with other bonus payments?**

A17. Yes, PCIP payment will be made in addition to Medicare payment under other bonus programs such as the Medicare health professional shortage area (HPSA) physician bonus program. Incentive payments will be made with a "Special Incentive Remittance" so that eligible physicians and NPPs may identify which incentives were paid for specific services furnished.

**Q18. Will I receive a written notice from Medicare if I become eligible for the PCIP payment in future payment years?**

A18. No, each PCIP payment year Medicare will provide a national PCIP eligibility file for contractors to post to their websites. Physicians and NPPs will continue to confirm PCIP eligibility for each payment year via this data file.

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**Q19. Will I receive written notice from Medicare if I become ineligible for the PCIP payment in future PCIP payment years?**

Q19. No, if you become ineligible for future PCIP payment years, you will not be contacted by Medicare.

**Q20. What if I have other questions regarding my PCIP eligibility status?**

A20. Physicians and NPPs should contact their claims processing contractor with any questions regarding their eligibility for the PCIP.

**Q21. Will my PCIP payment include a remittance statement?**

A21. Yes, the PCIP is often an electronic payment, followed up with a paper report called the Special Incentive Remittance. The remittance is detailed, identifying all of the PCIP eligible services furnished by the PCIP identified practitioner for the previous quarter from which the CMS calculated the PCIP bonus payment for that practitioner. Currently the remittance does not include a summary statement that accumulates PCIP payments for each practitioner. However, no earlier than April 2012 the remittance will be modified to include a summary of total PCIP bonus by practitioner.

**Q.22. What if I feel that I have been incorrectly qualified as an eligible PCIP practitioner?**

A22. If you feel that you have been incorrectly qualified as a PCIP eligible practitioner, you may contact your Medicare claims processing contractor and request that the contractor review your prior period claims history that resulted in an eligibility determination. If it is determined that an error was made in your claims history, your contractor may accept the return of your PCIP payment.

## Additional Information

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This article was previously revised on September 20, 2011, to clarify A1 in the FAQ section and to add two additional FAQs (Q21 and Q22).

You may want to review MM7561 (<http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/downloads/MM7561.pdf>) that relates to question 21. MM7561 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.

MLN Matters® Article MM7060 provides more detail on implementation of Section 5501(a) of The Affordable Care Act, which provides for the incentive payment for primary care services furnished on or after January 1, 2011, and before January 1, 2016, by a primary care physician or NPP. You may review this article, “Incentive Payment Program for Primary Care Services, Section 5501(a) of The Affordable Care Act,” available at

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<http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/downloads/MM7060.pdf> on the CMS website.

Article MM7267 explains that (effective July 1, 2011), the PCIP is amended to include the participation of certain newly enrolled Medicare primary care physicians and NPPs who do not have a prior 2 year claims history with which to determine eligibility. You may review this article, “Primary Care Incentive Payment Program (PCIP) Eligibility for New Providers Enrolled in Medicare,” available at <http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/downloads/MM7267.pdf> on the CMS website.

Article MM7115 explains that PCIP payments may be made to certain Critical Access Hospitals. This article, “Incentive Payment Program for Primary Care Services, Section 5501(a) of The Patient Protection and Affordable Care Act, Payment to a Critical Access Hospital (CAH) Paid Under the Optional Method,” is available at <http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/downloads/MM7115.pdf> on the CMS website.

MLN Matters® Article MM8030, entitled, “Medicare System Update to Include Rendering Line Level National Provider Identifiers (NPIs) for Primary Care Incentive Program (PCIP) Payments to Critical Access Hospitals (CAHs) ,” may be viewed at <http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/Downloads/MM8030.pdf> on the CMS website. MM8030 reminds CAHs that in order for a primary care service to be eligible for PCIP payment, the CAH paid under the optional method must be billing for the professional services of physicians under their NPIs or of Physicians’ Assistants, Clinical Nurse Specialists or Nurse Practitioners under their own NPIs when they are not furnishing services incident to physicians’ services.

MLN Matters® Article MM7686, entitled, “Medicare System Update to Include a Rendering Provider Field to Allow Correct Physician National Provider Identifier (NPI) Reporting for the Primary Care Incentive Program (PCIP) for Critical Access Hospitals (CAHs) Reimbursed Under the Optional Method ,” may be viewed at <http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/Downloads/MM7686.pdf> on the CMS website. MM7686 instructs Medicare contractors to implement a system update to include the rendering provider field to allow correct physician National Provider Identifier (NPI) reporting for the Primary Care Incentive Program (PCIP) for Critical Access Hospitals (CAHs) reimbursed under the optional method.

### ***New Information about the PCIP's Special Incentive Remittance***

*The PCIP is often an electronic payment, followed-up with a paper report called the Special Incentive Remittance. The remittance is detailed, identifying all of the PCIP-eligible services for the previous quarter from which CMS calculated the PCIP bonus payment. In*

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*2012, the remittance will be modified to include a summary statement, sorted by practitioner and incentive. Stay tuned for an upcoming Change Request (CR) for more information.*

***Might You Have Been Incorrectly Qualified as a PCIP Program Eligible Practitioner?***

*If you feel that you have been incorrectly qualified as a PCIP eligible practitioner, you may contact your Medicare claims processing contractor and request a review of your prior claims history that resulted in an eligibility determination. If it is determined that an error was made in your claims history, your contractor may accept the return of your PCIP payment. Refer to MLN Matters article at <http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/downloads/MM7060.pdf> for a list of eligibility requirements.*

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