

MLN Matters Number: MM4313

Related Change Request (CR) #: 4313

Related CR Release Date: February 1, 2006

Effective Date: January 1, 2006

Related CR Transmittal #: R2070TN

Implementation Date: See "Implementation" section of article

New 2006 Payment Rate for Services Paid Under the Medicare Physician Fee Schedule (MPFS)

Provider Types Affected

Physicians, suppliers, and providers billing Medicare contractors (carriers, regional home health intermediaries (RHHIs), and/or fiscal intermediaries (FIs)) for services paid under the MPFS provided to Medicare beneficiaries

Important Points to Remember

- This article is based on Change Request (CR) 4313, which states that Congress has amended the physician update from a negative 4.4 percent (-4.4%) update to a zero-percent (0%) update for services provided on or after January 1, 2006, and paid under the MPFS.
- Within two days of the enactment of the new legislation, Medicare contractors (i.e., carriers, FIs, and RHHIs) will begin to automatically reprocess those claims paid at the -4.4% update.
- New MPFS fees will be posted on the carrier sites as soon as possible after the bill is signed by the President. Your carrier may charge a reasonable fee for mailing a hardcopy version of the MPFS if you choose not to access the MPFS via the Internet.
- The Centers for Medicare & Medicaid Services (CMS) will create another participation enrollment period that will begin after the President signs the bill and the enrollment period will run for 45 days.

Background

Congress has passed the Deficit Reduction Act (DRA) of 2005, which among other things, changes the update to the 2006 conversion factor for services paid under the Medicare Physician Fee Schedule (MPFS). The DRA replaces the previously announced -4.4 percent reduction with a zero-percent increase for

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services paid under the MPFS. The change is effective retroactive for service on or after January 1, 2006.

Because of the change in the 2006 MPFS rates, CMS will create another participation enrollment period that will run for 45 days. More specific information concerning a second participation enrollment period will appear in a forthcoming change request (CR) and related MLN Matters article.

This CR only addresses the change in payment rates related to the new zero percent update to the conversion factor and reprocessing of claims that were paid using the -4.4 percent update rates.

Claims processed with the -4.4 percent rates will be reprocessed with the new rates and adjustments will be made. Medicare contractors will complete the necessary adjustments no later than July 1, 2006. In the event your claims are not adjusted by your carrier/FI/RHHI, contact them to bring the issue to their attention and they will make the adjustments.

Note: Services not paid under the MPFS (i.e., DME, Lab, ambulance etc.) are not affected by CR4313.

Implementation

Medicare Carriers and intermediaries will have two business days from the date of enactment of the Deficit Reduction Act to begin to process claims using the new fees as well as to begin reprocessing claims using those new fees.

Additional Information

The official instructions issued to your Intermediary or Carrier regarding this change can be found at <http://www.cms.hhs.gov/Transmittals/downloads/R207OTN.pdf> on the CMS website.

If you have questions, please contact your Medicare carrier/FI/RHHI at their toll-free number, which may be found at <http://www.cms.hhs.gov/apps/contacts/> on the CMS website.

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