



**News Flash** – Medicare Fee-For-Service (FFS), and its business associates, will implement the ASC X12, version 5010, and NCPDP, version D.0, standards as of January 1, 2012. To facilitate the implementation, Medicare has designated calendar year 2011 as the official 5010/D.0 transition year. As such Medicare Administrative Contractors (MACs) will be testing with their trading partners throughout calendar year 2011. Medicare encourages its providers, vendors, clearinghouses and billing services to schedule testing with their local MAC as soon as possible. Medicare also encourages you to stay current on 5010/D.0 news and helpful tools by visiting <http://www.cms.gov/Regulations-and-Guidance/HIPAA-Administrative-Simplification/Versions5010andD0/index.html> on its website. **Test early, Test often!**

MLN Matters® Number: MM7115 **Revised**

Related Change Request (CR) #: 7115

Related CR Release Date: March 3, 2011

Effective Date: April 1, 2011

Related CR Transmittal #: R2169CP

Implementation Date: April 4, 2011

## **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**

**Note:** This article was updated on December 10, 2012, to reflect current Web addresses. This article was previously updated on December 10, 2012, to reflect current Web addresses. This article was revised on to add a reference to MLN Matters® article MM7686 (<http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/downloads/MM7686.pdf>), to alert Method II Critical Access Hospitals to use the new "Rendering Provider" field to show the eligible primary care practitioner's NPI in order for the primary care services to qualify for the incentive bonus. All other information remains the same.

### **Provider Types Affected**

CAHs under the optional method who provide primary care services to Medicare beneficiaries and bill Medicare Administrative Contractors (A/B MACs) or Fiscal Intermediaries (FIs) are impacted by this issue.

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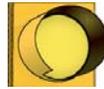
## Provider Action Needed

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### STOP – Impact to You

The Affordable Care Act provides for a 10% Medicare incentive payment for primary care services effective 2011 through 2015. **Payments will be made on a quarterly basis.**



### CAUTION – What You Need to Know

The Affordable Care Act defines a primary care practitioner as: (1) a physician who has a primary specialty designation of family medicine, internal medicine, geriatric medicine, or pediatric medicine; or (2) a Nurse Practitioner, Clinical Nurse Specialist, or Physician Assistant, and in all cases, for whom primary care services accounted for at least 60 percent of the allowed charges under the Medicare Physician Fee Schedule (MPFS) for the practitioner in a prior period as determined appropriate by the Secretary.



### GO – What You Need to Do

See the *Background* section below for specifics.

## Background

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Section 5501(a) of The Affordable Care Act revises section 1833 of The Social Security Act and will add a new paragraph “Incentive Payments for Primary Care Services”. The Social Security Act now states that in the case of primary care services furnished on or after January 1, 2011 and before January 1, 2016 by a primary care practitioner, there also shall be paid on a monthly or quarterly basis an amount equal to 10 percent of the payment amount for such services under the MPFS.

**NOTE:** The former “Quarterly Health Professional Shortage Area (HPSA) and Scarcity Report for Critical Access Hospital (CAHs)” is now known as the “Special Incentive Remittance for CAHs”. This change is necessary as Primary Care Incentive Program (PCIP) payments are made for all primary care services furnished by eligible primary care practitioners, regardless of the geographic location where the primary care services are furnished.

**The PCIP payments will be based on 10 percent of 115 percent of the MPFS amount that the CAH was paid for the professional service.**

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***Primary Care Services***

The Affordable Care Act defines primary care services as those services identified by the following CPT codes:

- 99201 through 99215 for new and established patient office or other outpatient Evaluation and Management (E/M) visits;
- 99304 through 99340 for initial, subsequent, discharge, and other nursing facility E/M services; new and established patient domiciliary, rest home (eg, boarding home), or custodial care E/M services; and domiciliary, rest home (eg, assisted living facility), or home care plan oversight services; and
- 99341 through 99350 for new and established patient home E/M visits.

These codes are displayed in the table below. All of these codes remain active in Calendar Year (CY) 2011 and there are no other codes used to describe these services.

**Primary Care Services Eligible for Primary Care Incentive Payments in CY 2011**

CPT Code	Description
99201	Level 1 new patient office or other outpatient visit
99202	Level 2 new patient office or other outpatient visit
99203	Level 3 new patient office or other outpatient visit
99204	Level 4 new patient office or other outpatient visit
99205	Level 5 new patient office or other outpatient visit
99211	Level 1 established patient office or other outpatient visit
99212	Level 2 established patient office or other outpatient visit
99213	Level 3 established patient office or other outpatient visit
99214	Level 4 established patient office or other outpatient visit
99215	Level 5 established patient office or other outpatient visit
99304	Level 1 initial nursing facility care
99305	Level 2 initial nursing facility care
99306	Level 3 initial nursing facility care
99307	Level 1 subsequent nursing facility care
99308	Level 2 subsequent nursing facility care
99309	Level 3 subsequent nursing facility care

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CPT Code	Description
99310	Level 4 subsequent nursing facility care
99315	Nursing facility discharge day management; 30 minutes
99316	Nursing facility discharge day management; more than 30 minutes
99318	Other nursing facility services; evaluation and management of a patient involving an annual nursing facility assessment.
99324	Level 1 new patient domiciliary, rest home, or custodial care visit
99325	Level 2 new patient domiciliary, rest home, or custodial care visit
99326	Level 3 new patient domiciliary, rest home, or custodial care visit f
99327	Level 4 new patient domiciliary, rest home, or custodial care visit
99328	Level 5 new patient domiciliary, rest home, or custodial care visit
99334	Level 1 established patient domiciliary, rest home, or custodial care visit
99335	Level 2 established patient domiciliary, rest home, or custodial care visit
99336	Level 3 established patient domiciliary, rest home, or custodial care visit
99337	Level 4 established patient domiciliary, rest home, or custodial care visit
99339	Individual physician supervision of a patient in home, domiciliary or rest home recurring complex and multidisciplinary care modalities; 30 minutes
99340	Individual physician supervision of a patient in home, domiciliary or rest home recurring complex and multidisciplinary care modalities; 30 minutes or more
99341	Level 1 new patient home visit
99342	Level 2 new patient home visit
99343	Level 3 new patient home visit
99344	Level 4 new patient home visit
99345	Level 5 new patient home visit
99347	Level 1 established patient home visit
99348	Level 2 established patient home visit
99349	Level 3 established patient home visit
99350	Level 4 established patient home visit

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### ***Eligibility for Payment under the Primary Care Incentive Payment Program (PCIP)***

For primary care services furnished on or after January 1, 2011 and before January 1, 2016, a 10 percent incentive payment will be provided to primary care practitioners, identified as: (1) in the case of physicians, enrolled in Medicare with a primary specialty designation of 08-family practice, 11-internal medicine, 37-pediatrics, or 38-geriatrics; or (2) in the case of non-physician practitioners, enrolled in Medicare with a primary care specialty designation of 50-Nurse Practitioner, 89-certified Clinical Nurse Specialist, or 97-Physician Assistant; and (3) for whom the primary care services displayed in the above table accounted for at least 60 percent of the allowed charges under the MPFS (excluding hospital inpatient care and emergency department visits) for such practitioner during the time period that has been specified by the Secretary of Health and Human Services.

If a claim for a primary care service is submitted by a CAH paid under the optional method for an eligible primary care physician's or non-physician practitioner's professional services, the "other provider" field on the claim must be populated by the eligible primary care practitioner's National Provider Identifier (NPI) in order for the primary care service to qualify for the incentive payment. Primary care services potentially eligible for the incentive payment and furnished on different days must be submitted on separate CAH claims so a determination about the eligibility of the service based on the rendering practitioner can be made. If the CAH claim for a single date of service includes more than one primary care professional service, the incentive payment for all primary care services for that date, shall be made to the CAH on behalf of the eligible primary care practitioner based on the NPI in the "other provider" field. In addition to the CAH NPI, the "other provider" NPI shall be shown on the Special Incentive Remittance for CAHs.

### ***PCIP Payments to Critical Access Hospitals***

Physicians and non-physician practitioners billing on Type of Bill (TOB) 85X for professional services rendered in a CAH paid under the optional method have the option of reassigning their billing rights to the CAH. When the billing rights are reassigned to the CAH, payment is made to the CAH for professional services (Revenue Codes (RC) 96X, 97X or 98X).

The 10 percent PCIP payment is payable to a CAH billing under the optional method for the primary care professional services of eligible primary care physicians and non-physician practitioners who have reassigned their billing rights to CAH. The incentive payment is paid based on 10 percent of the 115 percent of the MPFS amount paid to the CAH for those professional services. PCIP payments are calculated by Medicare contractors and made quarterly on behalf of

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the eligible primary care physician or nonphysician practitioner to the CAH for the primary care services furnished by the practitioner in that quarter.

The Affordable Care Act authorizes payment under the PCIP beginning in CY 2011 as an additional payment amount for specified primary care services without regard to any additional payment for the service under the existing Health Professional Shortage Area (HPSA) physician bonus payment program. Therefore, eligible primary care physicians and non-physician practitioners furnishing a primary care service in a HPSA may receive both a HPSA physician bonus payment under the established program and a PCIP payment under the new program beginning in CY 2011.

## Additional Information

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The official instruction, CR7115 issued to your A/B MAC or FI regarding this change may be viewed at <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R2169CP.pdf> on the Centers for Medicare & Medicaid Services (CMS) website.

You may also want to review MLN Matters® article MM7060, which is available at <http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/downloads/MM7060.pdf>, for information on the incentive payment for primary care services enacted in Section 5501 of the Affordable Care Act.

You may also want to review SE1109 (<http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/downloads/SE1109.pdf>) for further information about Medicare's PCIP.

More information regarding the PCIP may also be found in MLN Matters® article MM7267 (<http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/downloads/MM7267.pdf>) which informs providers that the PCIP is being amended to include the participation of newly enrolled primary care physicians and NPPs who do not have a prior two year claims history with which to determine eligibility.

If you have any questions, please contact your 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 also want to review MM7561 (<http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network->

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[MLN/MLNMattersArticles/downloads/MM7561.pdf](#)), which 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.

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