

<b>CMS Manual System</b>	<b>Department of Health &amp; Human Services (DHHS)</b>
<b>Pub 100-04 Medicare Claims Processing</b>	<b>Centers for Medicare &amp; Medicaid Services (CMS)</b>
<b>Transmittal 1627</b>	<b>Date: October 31, 2008</b>
	<b>Change Request 6235</b>

**SUBJECT: Calendar Year (CY) 2009 Participation Enrollment and Medicare Participating Physicians and Suppliers Directory (MEDPARD) Procedures**

**I. SUMMARY OF CHANGES:** Contractors conduct an enrollment period on an annual basis in order to provide eligible physicians, practitioners and suppliers with an opportunity to make their calendar year Medicare participation decision by December 31. To sign a participating agreement is to agree to accept assignment for all covered services that are provided to Medicare patients. After the enrollment period ends, an updated list of participating physicians, practitioners, and suppliers, is then published by each contractor in their local MEDPARD on the contractor's Web site. The attached Recurring Update Notification applies to Chapter 1, Section 30.3.12 of the IOM.

**New / Revised Material**

**Effective Date: October 31, 2008**

**NOTE: The effective date is not the date of service for this instruction.**

**Implementation Date: November 10, 2008**

*Disclaimer for manual changes only: The revision date and transmittal number apply only to red italicized material. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.*

**II. CHANGES IN MANUAL INSTRUCTIONS:** (N/A if manual is not updated)

R=REVISED, N=NEW, D=DELETED-Only One Per Row.

R/N/D	Chapter / Section / Subsection / Title
N/A	

**III. FUNDING:**

**SECTION A: For Fiscal Intermediaries and Carriers:**

No additional funding will be provided by CMS; Contractor activities are to be carried out within their operating budgets.

**SECTION B: For Medicare Administrative Contractors (MACs):**

The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

**IV. ATTACHMENTS:**

**Recurring Update Notification**

*\*Unless otherwise specified, the effective date is the date of service.*

# Attachment – Recurring Update Notification

Pub. 100-04	Transmittal: 1627	Date: October 31, 2008	Change Request: 6235
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**SUBJECT: Calendar Year (CY) 2009 Participation Enrollment and Medicare Participating Physicians and Suppliers Directory (MEDPARD) Procedures**

**Effective Date: October 31, 2008**

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**Implementation Date: November 10, 2008**

## **I. GENERAL INFORMATION**

**A. Background:** Contractors conduct an enrollment period on an annual basis in order to provide eligible physicians, practitioners and suppliers with an opportunity to make their calendar year Medicare participation decision by December 31. To sign a participating agreement is to agree to accept assignment for all covered services that are provided to Medicare patients. After the enrollment period ends, contractors publish an updated list of participating physicians, practitioners, and suppliers, in their local MEDPARDs on their Web sites.

**B. Policy:** The annual participation enrollment program for CY 2009 will commence on November 14, 2008, and will run through December 31, 2008.

The purpose of this Recurring Update Notification is to furnish contractors with material needed for the CY 2009 participation enrollment effort. The following documents are attached:

- A Participation Announcement; and
- A Blank Participation Agreement;

Contractors shall produce and mail the participation enrollment material on a CD-ROM. **Contractors shall place the new fees (physician fee schedule fees and anesthesia conversion factors) on their Web site for providers to access and download. The information contained in this Recurring Update Notification must be kept CONFIDENTIAL until the Physician Fee Schedule Final Rule is put on display. Fees should not be posted on the web nor should the CDs be mailed until after the final rule is put on display.**

Carriers will no longer receive a Special Edition (SE) Medicare Learning Network (MLN) Matters article to include on the "Dear Doctor" CD. If you have not already passed the deadline with your vendors to have information placed on the CD, please have the following language added to the CD:

*“We encourage you to visit the Medicare Learning Network (<http://www.cms.hhs.gov/MLNGenInfo/>)-- the place for official CMS Medicare fee-for-service provider educational information. There you can find one of our most popular products, MLN Matters national provider education articles. These articles help you understand new or changed Medicare policy and how those changes affect you. A full array of other educational products (including web-based training courses, hard copy and downloadable publications, and CD-ROMs) are also available and can be accessed at: <http://www.cms.hhs.gov/MLNProducts/> You can also find other important physician websites by visiting the Physician Center webpage at: <http://www.cms.hhs.gov/center/physician.asp>”*

If it is too late to have the above language included on your annual PARDOC CD, be sure to post it on your Web site.

CMS will send all contractors an e-mail notice when the Physician Fee Schedule Final Rule has been put on display. The CDs should be mailed in time for physicians, practitioners, and suppliers, to receive the participation enrollment material by November 14, but the CDs should not be mailed before November 10.

Physicians, practitioners, and suppliers, enrolled in the Medicare program and who chose not to accept assignment for every covered service they furnish do not have to sign a “Medicare Participating Physician or Supplier Agreement” in order to bill Medicare and receive payment.

The CMS plans to release the Medicare Physician Fee Schedule Database (MPFSDB) and the anesthesia conversion factors to contractors electronically in mid to late October. This data must also be kept confidential until the physician fee schedule final rule is put on display.

## II. BUSINESS REQUIREMENTS TABLE

Number	Requirement	Responsibility (place an “X” in each applicable column)									
		A / B  M A C	D M E  M A C	F I	C A R R I E R	R H I	Shared-System Maintainers				OTHER
							F I S S	M C S	V M S	C W F	
6235.1	Contractors shall reproduce the attachments and mail the participation material (excluding the fees) on a CD ROM. See the Internet Only Manual (IOM) Pub. 100-04, chapter 1, section 30.3.12.1.	X			X						
6235.2	Contractors shall display the fee data prominently on their Web site.  For CY 2009 disclosure reports, contractors shall use the following format for displaying fees on the Web and/or hardcopy: <ul style="list-style-type: none"> <li>• Procedure code (including professional and technical component modifiers, as applicable);</li> <li>• Par amount (non-facility);</li> <li>• Par amount (facility-based);</li> <li>• Non-par amount (non-facility);</li> <li>• Limiting charge (non-facility);</li> <li>• Non-par amount (facility-based); and</li> <li>• Limiting charge (facility-based).</li> </ul>	X			X						
6235.3	For CY 2009 disclosure reports, contractors shall provide the anesthesia conversion factors on their Web site.	X			X						
6235.4	Contractors shall display the fee schedule using a provider friendly format from which providers can download their particular locality. Providers should not have to download the whole fee schedule file.	X			X						
6235.5	Contractors shall insert on the CD their Web site link for providers to use to view the new fees. A statement/paragraph should be added to the CD advising	X			X						

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B  M A C	D M E  M A C	F I	C A R R I E R	R H I	Shared-System Maintainers				OTHER
							F I S S	M C S	V M S	C W F	
	the providers that the new fees are posted on the contractor Web site and not available on the CD.										
6235.6	Effective immediately, contractors shall educate physicians via their Web site and whatever other provider outreach that can be utilized that the fees will be placed on the contractor Web site after the 2009 physician fee schedule regulation is put on display.	X			X						
6235.7	Contractors shall insert their Web site address for providers to use to access the 2009 payment rates in the space available at the end of the Participation Announcement sheet.	X			X						
6235.8	Contractors shall insert their contractor-specific information (i.e., toll-free telephone numbers, etc.) in the blank lines as indicated at the end of the Participation Announcement sheet.	X			X						
6235.9	Contractors shall inform providers via their listserv when the 2009 fees are posted to their Web site.	X			X						
6235.10	Contractors shall annotate the envelope containing the participation material with the following message: "Open Immediately. Package Contains 2009 Medicare Participation Information from the Centers for Medicare & Medicaid Services."  <b>NOTE:</b> Contractors may use: "Open Immediately. Package Contains 2009 Medicare Participation Information from CMS." on the envelope, if it is helpful to do so. However, contractors that use this message must be sure the CMS logo is also on the envelope.	X			X						
6235.11	Contractors shall produce hard copy disclosures for providers who do not have Internet access or do not have the capability to access the CD-ROM.  <b>NOTE:</b> Contractors have the discretion to produce more than 2 percent hardcopy if needed.	X			X						
6235.12	Contractors shall not charge physicians requesting hard copy disclosures who do not have Internet access or do not have the capability to access the CD ROM.	X			X						
6235.13	Contractors shall mail participation enrollment materials via first class or equivalent delivery service, and schedule the release of these materials so that providers receive it no later than November 14, 2008, but do not mail it before November 10, 2008.	X			X						
6235.14	The MPFSDB will contain the CY 2009 fee schedule amounts. Contractors shall include fee amounts for procedure codes with status indicators of A, T, and R (if	X			X						

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B  M A C	D M E  M A C	F I	C A R R I E R	R H H I	Shared-System Maintainers				OTHER
							F I S S	M C S	V M S	C W F	
	<p>Relative Value Units (RVUs) have been established by CMS). The following statements must be included on the fee disclosure reports:</p> <p>“All Current Procedural Terminology (CPT) codes and descriptors are copyrighted 2008 by the American Medical Association.”</p> <p>“These amounts apply when service is performed in a facility setting.” (This statement should be made applicable to those services subject to a differential based on place of service.)</p> <p>“The payment for the technical component is capped at the OPPS amount.” (This statement should be made applicable to services in which the technical portion was capped at the Outpatient Prospective Payment System amount.)</p> <p>See the Internet Only Manual (IOM) Pub. 100-04, chapter 1, section 30.3.12.1.</p>										
6235.15	<p>If contractors choose to use code descriptors on their Web site, they must use the short descriptors contained in the Healthcare Common Procedure Coding System (HCPCS) file and the MPFSDB. If contractors find descriptor discrepancies between these two files, use the HCPCS file short descriptor.</p> <p><b>NOTE:</b> The CMS has signed agreements with the American Medical Association regarding use of CPT, and the American Dental Association regarding use of Current Dental Terminology (CDT), on Medicare contractor Web sites, CD-ROMs, bulletin boards, and other electronic communications (refer to the IOM Publication 100-04, chapter 23, section 20.7).</p>	X			X						
6235.16	Contractors shall process participation elections and withdraws post-marked before January 1, 2009.	X			X						
6235.17	Contractors shall not print hardcopy participation directories (i.e., MEDPARDs) for CY 2009 without regional office prior authorization and advanced approved funding for this purpose. Supplemental budget requests (SBRs) for CY 2009 MEDPARD directories will not be approved.	X			X						
6235.18	If contractors receive inquiries from a customer who does not have access to the contractor Web site, they	X			X						

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B  M A C	D M E  M A C	F I	C A R R I E R	R H I	Shared-System Maintainers				OTHER
							F I S S	M C S	V M S	C W F	
	shall ascertain the nature and scope of each request and furnish the desired MEDPARD participation information via phone or letter.										
6235.19	Contractors shall load their local MEDPARD information for physicians, non-physician practitioners and suppliers on their Web site by the end of January.	X			X						
6235.20	Contractors shall notify providers via regularly scheduled newsletters as to the availability of the MEDPARD information and how to access it electronically.	X			X						
6235.21	Contractors shall also inform hospitals and other organizations (i.e., Social Security offices, area Administration on Aging offices, and other beneficiary advocacy organizations) how to access MEDPARD information on your Web site.	X			X						
6235.22	Contractors shall convert the Form CMS-460 into a document that allows the physician, practitioner, or supplier to enter all required information (except for the signature and effective date in item 2) before printing. Then, the physician, practitioner, or supplier will only have to print out the Form CMS-460, sign it, and mail it to the contractor.	X			X						
6235.23	Contractors shall protect all parts of the Form CMS-460 that do not require data entry from being altered. (The physician, practitioner, or supplier can only be allowed to enter their required information, and not change any other parts of the Form CMS-460).	X			X						
6235.24	Contractors shall continue to plug-in the January 1, (appropriate year), effective date in item 2 of the Form CMS-460 included in the CD-ROM mailing.	X			X						

### III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B  M A C	D M E  M A C	F I	C A R R I E R	R H I	Shared-System Maintainers				OTHER
							F I S S	M C S	V M S	C W F	
6235.25	None. An MLN Matters Article related directly to this change request is <u>not</u> needed. Mailing the entire participation enrollment materials (except the fees) on the CD-ROM and posting of the MEDPARD information is considered provider education. Contractors shall follow the instructions regarding the dates for	X			X						

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B  M A C	D M E  M A C	F I	C A R R I E R	R H I	Shared-System Maintainers				OTHER
							F I S S	M C S	V M S	C W F	
	releasing/mailling these materials that are contained in this Recurring Update Notification.										

#### IV. SUPPORTING INFORMATION

**Section A: For any recommendations and supporting information associated with listed requirements, use the box below: N/A**

*Use "Should" to denote a recommendation.*

X-Ref Requirement Number	Recommendations or other supporting information:

**Section B: For all other recommendations and supporting information, use this space:**

**This Recurring Update Notification is dependent upon the release of the Physician Fee Schedule regulation.**

**2 Attachments: Participation Announcement and Blank Participation Agreement.**

#### V. CONTACTS

**Pre-Implementation Contact(s):** April Billingsley, (410) 786-0140, [april.billingsley@cms.hhs.gov](mailto:april.billingsley@cms.hhs.gov)

**Post-Implementation Contact(s):** Appropriate Regional Offices and/or the appropriate project officer.

#### VI. FUNDING

**Section A: For *Fiscal Intermediaries (FIs) and Carriers*:**

No additional funding will be provided by CMS; contractor activities are to be carried out within their operating budgets.

**Section B: *For Medicare Administrative Contractors (MACs):***

The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

**Attachments (2)**



## Announcement

### About Medicare Participation for Calendar Year 2009

Medicare continues to promote access to higher quality and more efficient health care delivered by the nation's physicians to people with Medicare under the 2009 Medicare Physician Fee Schedule (MPFS).

In 2009, we are implementing many provisions mandated by the Medicare Improvements for Patients and Providers Act (MIPPA) of 2008 that impact payment under the MPFS including:

- Increasing average physician fee schedule rates by 1.1 percent for 2009.
- Extending the physician quality reporting system and increasing the incentive payment to 2% for satisfactorily reporting quality measures during the 2009 reporting period.
- Providing a 2% incentive payment to successful electronic prescribers during the 2009 reporting period.

This will be the first year of a five-year program established by MIPPA under which physicians who use e-prescribing technology may be eligible for a bonus based on the covered services furnished during the reporting year. Incentive payments, as noted above, are available each year of the program (2% for 2009 – 2010, 1% for 2011-2012, and 0.5% for 2013). Starting in 2012, however, a penalty, in the form of a percentage reduction in the Medicare physician fee schedule payment, applies to those physicians who are not successful electronic prescribers (1% in 2012, 1.5% in 2013, and 2% in 2014). E-prescribing can provide many benefits for physicians and their patients. For example, electronic access to each patient's prescription history helps physicians avoid prescribing drugs that may result in harmful drug interactions, while electronic transmission eliminates the possibility of medication errors caused by illegible handwriting. Furthermore, access to insurance and formulary information at the point of care also allows physicians to prescribe a covered and affordable drug, resulting in fewer trips to the pharmacy.

CMS will continue to work with Congress and with physicians on a system that will provide predictable and stable payments that will ensure higher quality care for beneficiaries without increasing Medicare spending.

In addition, CMS may publicly report physician information that is maintained in the "Performance Measurement and Reporting System (PMRS)," system of records (SOR) number 09-70-0584, as amended, in order to improve the quality and efficiency of health care delivery and enable consumers to make more informed health care decisions. This includes posting on an Internet website the names of those physicians who report data on quality measures through the Physician Quality Reporting Initiative and e-prescribing usage. More information about the PMRS SOR is available at <http://www.cms.hhs.gov/PrivacyActSystemofRecords/downloads/0584.pdf>.

## Professional Liability Costs

As you are well aware, professional liability costs have significantly increased for many physicians over the past five years. Medicare compensates for a portion of this through periodic revisions to the physician fee schedule professional liability insurance relative values. Mediation programs and arrangements such as Alternative Dispute Resolution (ADR) can be a way to resolve injury claims and are permissible under the Medicare program as long as they are applied to all patients (private pay, private insurance, or public insurance) that you treat.

CMS encourages you to explore ADR options and evaluate whether, in your situation, they can be used to provide meaningful alternatives for resolving medical liability claims. Many, if not all, ADR programs would be initiated via voluntary, private contract between the patient and the patient's provider or health plan agreed to before treatment. Please contact your professional liability insurance carrier, your state medical society, or your professional society for more information about ADR to assist you in deciding whether to implement it in your practice. In the coming months, the Department of Health and Human Services will supply health care providers with further information on these alternatives.

## WHY PARTICIPATE?

All physicians, practitioners and suppliers must make their calendar year (CY) 2009 Medicare participation decision by December 31, 2008. To sign a participation agreement is to agree to accept assignment for all covered services that you provide to Medicare patients in CY 2009. The majority of physicians, practitioners and suppliers have chosen to participate in Medicare. During CY 2008, 94.6 percent of all physicians, practitioners and suppliers are billing under Medicare participation agreements.

If you bill for physicians' professional services, services and supplies provided incident to physicians' professional services, outpatient physical and occupational therapy services, diagnostic tests, or radiology services, your Medicare fee schedule amounts are 5 percent higher if you participate. Also, providers receive direct and timely reimbursement from Medicare.

Regardless of the Medicare Part B services for which you are billing, participants have "one stop" billing for beneficiaries who assign both their Medicare and Medigap payments to participants. Beneficiaries with Medigap coverage (private supplemental insurance) may assign the payment on the supplemental claim to the provider or supplier. Under the current mandatory Medigap (claim-based) crossover process, beneficiaries must assign payment on their claims to a participating provider or supplier as a condition for their claims to be forwarded to their Medigap insurer for payment of all coinsurance and deductible amounts due under the Medigap policy. The Medigap insurer, in turn, must pay the participating provider or supplier directly, thereby relieving the need of having to file a second claim.

## WHAT TO DO

If you choose to be a participant in CY 2009:

- Do nothing if you are currently participating, or

- If you are not currently a Medicare participant, complete the blank agreement enclosed and mail it (or a copy) to each carrier or A/B Medicare Administrative Contractor (A/B MAC) which you submit Part B claims. (On the form show the name(s) and identification number(s) under which you bill.)

If you decide not to participate in CY 2009:

- Do nothing if you are currently not participating, or
- If you are currently a participant, write to each carrier or A/B MAC to which you submit claims, advising of your termination effective January 1, 2009. This written notice must be postmarked prior to January 1, 2009.

Hold onto this announcement during this enrollment period. You may want to refer to it again before making your decision regarding Medicare participation for CY 2009.

We hope you will decide to be a Medicare participant in CY 2009.

Please call \_\_\_\_\_ if you have any questions or need further information on participation.

**To view updates and the latest information about Medicare, or to obtain telephone numbers of the various carrier or A/B MAC contacts including the contractor medical directors, please visit the CMS web site at <http://www.cms.hhs.gov/>.**

***To view the calendar year 2009 Medicare Physician Fee Schedule and Anesthesia Conversion Factors, please visit your local carrier or A/B MAC web site: (insert local carrier or A/B MAC web site address).***

**For \_\_\_\_ (carrier or A/B MAC name) \_\_\_\_\_, you may contact the following toll-free number(s) for assistance:**

**MEDICARE**  
**PARTICIPATING PHYSICIAN OR SUPPLIER AGREEMENT**

**Name(s) and Address of Participant\***

**Physician or Supplier  
Identification Code(s)\***

The above named person or organization, called "the participant," hereby enters into an agreement with the Medicare program to accept assignment of the Medicare Part B payment for all services for which the participant is eligible to accept assignment under the Medicare law and regulations and which are furnished while this agreement is in effect.

1. Meaning of Assignment - For purposes of this agreement, accepting assignment of the Medicare Part B payment means requesting direct Part B payment from the Medicare program. Under an assignment, the approved charge, determined by the Medicare carrier, shall be the full charge for the service covered under Part B. The participant shall not collect from the beneficiary or other person or organization for covered services more than the applicable deductible and coinsurance.

2. Effective Date - If the participant files the agreement with any Medicare carrier during the enrollment period, the agreement becomes effective \_\_\_\_\_.

3. Term and Termination of Agreement - This agreement shall continue in effect through December 31 following the date the agreement becomes effective and shall be renewed automatically for each 12-month period January 1 through December 31 thereafter unless one of the following occurs:

a. During the enrollment period provided near the end of any calendar year, the participant notifies in writing every Medicare carrier with whom the participant has filed the agreement or a copy of the agreement that the participant wishes to terminate the agreement at the end of the current term. In the event such notification is mailed or delivered during the enrollment period provided near the end of any calendar year, the agreement shall end on December 31 of that year.

b. The Centers for Medicare & Medicaid Services may find, after notice to and opportunity for a hearing for the participant, that the participant has substantially failed to comply with the agreement. In the event such a finding is made, the Centers for Medicare & Medicaid Services will notify the participant in writing that the agreement will be terminated at a time designated in the notice. Civil and criminal penalties may also be imposed for violation of the agreement.

\_\_\_\_\_  
Signature of participant  
(or authorized representative  
of participating organization)

\_\_\_\_\_  
Title  
(if signer is authorized  
representative of organization)

\_\_\_\_\_  
Date

(including area code)  
Office phone number

\*List all names and identification codes under which the participant files claims with the carrier with whom this agreement is being filed.

Received by  
(name of carrier)

Effective date

Initials of carrier official

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0938-0373. The time required to complete this information collection is estimated to average 15 minutes per response, including the time to review instructions, search existing data resources, gather the data needed and complete and review the information collection. If you have any comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: CMS, 7500 Security Boulevard, N2-14-26, Baltimore, Maryland 21244-1850 and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington D.C. 20503.