

One-Time Notification

Pub.100-04	Transmittal: 6	Date: October 17, 2003	Change Request 2912
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SUBJECT: Implementation of the coding, testing, and implementation phases and provider education for Change Request (CR) 2631, Revisions to the MCM for Jurisdiction and Unprocessable Claims.

I. GENERAL INFORMATION

A. Background: Services paid on the physician fee schedule and anesthesia services are to be reimbursed per payment locality (i.e., jurisdiction) based on where the service was rendered.

B. Policy: This CR implements the jurisdictional payment policy for physician services payable under the Medicare Physician Fee Schedule and for anesthesia services.

C. Provider Education: Carriers shall inform affected providers by posting information concerning the following topics on their Web site within 2 weeks of the date of the issuance of this instruction. Carriers shall refer to the MCM sections revised with CR 2631 for further information. Carriers shall publish this same information in their next regularly scheduled bulletin. If they have a listserv that targets affected providers, they shall use it to notify subscribers that information about jurisdictional pricing is available on their Web site.

Topics to be covered:

- A general notification/reminder that jurisdictional payment of services paid under the Medicare Physician Fee Schedule and anesthesia services will be made based on the zip code of where the service is provided.
- Clarification on the billing of purchased services including the necessity of following current enrollment procedures.

Effective for claims received on or after April 1, 2004:

- How to code paper and electronic claims, when more than one place of service, other than home, is submitted for services payable under the Medicare Physician Fee Schedule and anesthesia services.
- When billing for purchased tests on the Form CMS-1500 paper claim form, each test must be submitted on a separate claim form. In this way, the appropriate service facility location zip code and the purchase price of each test will be submitted and the carrier will be able to pay the correct reimbursement rates.

- Multiple purchased tests may be submitted on electronic claims as long as appropriate service facility location information is submitted when services are rendered at different locations and the appropriate total purchased service amounts are submitted for each purchased test.
- Item 32 on the Form CMS-1500 paper claim is limited to one service facility location name and address. In most cases when a test is purchased, it has been rendered at a different service facility location from where the interpretation is performed. Therefore, a physician may only bill for a purchased test and an interpretation on the same claim when the services are rendered on the same date of service and at the same service facility location, and are submitted with the same place of service codes.
- Electronic claims submitted for purchased services may be submitted with the interpretation and the test on the same claim. In order for the carrier to pay the correct locality based fee, appropriate service facility service location information must be submitted at the line level when services are rendered at different locations. If line item data is not submitted, it will be assumed by the carrier that the services were rendered at the same service facility location.
- Providers may not submit a global billing code on paper or electronic claims when one component of the service has been purchased. In order for carriers to determine payment jurisdiction and price services correctly, the technical and professional components of the service must be submitted on separate lines of the claim.
- In order for carriers to be able to correctly determine where services were provided and pay correct locality rates, no more than one name, address, and zip code may be entered in Item 32 of the Form CMS-1500.

II. BUSINESS REQUIREMENTS

"Shall" denotes a mandatory requirement

"Should" denotes an optional requirement

NOTE: Due to the extension of the use of the NSF format, all carriers' business requirements must be extended to the NSF format as well as the 837 P format.

Requirement #	Requirements	Responsibility
1	Effective April 1, 2004, implement the coding, testing, and implementation phases and provider education for Change Request (CR) 2631, Revisions to the MCM for Jurisdiction and Unprocessable Claims.	Carriers and Part B Standard systems
2	Effective April 1, 2004, implement the provider education for Change Request (CR) 2631, Revisions to the MCM for Jurisdiction and Unprocessable Claims.	Carriers

III. SUPPORTING INFORMATION & POSSIBLE DESIGN CONSIDERATIONS

A. Other Instructions:

X-Ref Requirement #	Instructions
CR 2631	The analysis and design phases for this CR were effective January 1, 2004.

B. Design Considerations: N/A

X-Ref Requirement #	Recommendation for Medicare System Requirements

C. Interfaces: N/A

D. Contractor Financial Reporting /Workload Impact: N/A

E. Dependencies: N/A

F. Testing Considerations: N/A

IV. SCHEDULE, CONTACTS, AND FUNDING

Effective Date: April 1, 2004 Implementation Date: April 1, 2004 Pre-Implementation Contact(s): Leslie Trazzi (410) 786-6544 or ltrazzi@cms.hhs.gov Post-Implementation Contact(s): Your Regional Office	These instructions should be implemented within your current operating budget
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