

<b>CMS Manual System</b>	<b>Department of Health &amp; Human Services</b>
<b>Pub 100-04 Medicare Claims Processing</b>	<b>Centers for Medicare &amp; Medicaid Services</b>
<b>Transmittal 1131</b>	<b>Date: December 15, 2006</b>
	<b>Change Request 5448</b>

This instruction is being re-communicated. The attached instruction was previously communicated as Sensitive, dated December 15, 2006. The attached instruction is no longer sensitive. Minor changes were made to indicate that the President has signed the Tax Relief and Health Care Act of 2006. The Transmittal Number, Issue Date, and all other information remains the same.

**Subject:** Legislative Change to the Update Factor for the 2007 Medicare Physician Fee Schedule (MPFS) and Extension of the Participating Enrollment Period

**I. SUMMARY OF CHANGES:** Congress has passed the Tax Relief and Health Care Act of 2006 which among other things changes the update to the 2007 conversion factor for services paid under the Medicare Physician Fee Schedule. **The President signed the Tax Relief and Health Care Act of 2006 on December 20, 2006.** Based on the change in the fees, CMS is also extending the participation enrollment period to February 14, 2007.

New / Revised Material  
 Effective Date: January 1, 2007  
 Implementation Date: January 2, 2007

*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:**  
 No additional funding will be provided by CMS; Contractor activities are to be carried out within their FY 2007 operating budgets.

**IV. ATTACHMENTS:**

**One-Time Notification**

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

# Attachment – One-Time Notification

<b>Pub. 100-04</b>	<b>Transmittal: 1131</b>	<b>Date: December 15, 2006</b>	<b>Change Request: 5448</b>
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**SUBJECT: Legislative Change to the Update Factor for the 2007 Medicare Physician Fee Schedule (MPFS) and Extension of the Participating Enrollment Period**

**Effective Date:** January 1, 2007

**Implementation Date:** January 2, 2007

## I. GENERAL INFORMATION

**A. Background:** The President has signed the Tax Relief and Health Care Act of 2006 which among other things changes the update to the 2007 conversion factor for services paid under the MPFS. The change is effective January 1, 2007.

Since there is a change to the 2007 MPFS rates, CMS is extending the participation enrollment period to February 14, 2007. Therefore, the participation enrollment period runs from November 15, 2006, through February 14, 2007. The effective date for any participation change is January 1, 2007.

**B. Policy:** The purpose of this instruction is to inform you of (1) the legislation change to the 2007 MPFS rates; (2) the release of new MPFS files for you to load and be ready to process claims beginning January 2, 2007; and (3) the extension of the participation enrollment to February 14, 2007.

CMS has released new MPFS files (including the MPFS database, purchased diagnostic services, anesthesia and FI abstract files as well as the OPFS cap for the technical component of imaging services) to contractors on December 15, 2006. Incorporated into the new payment files will be the corrections/changes listed in CR 5459 (Emergency Update to the 2007 MPFSDB). CR 5459 is out for review and should be released in final shortly. Contractors will be informed of the availability of the files and the filenames via an email notice. Contractors should load the new payment files and be ready to process claims beginning January 2, 2007. Contractors will have to disclose the new fees on their Websites no later than December 31, 2006. The new fees will be displayed on the CMS Web no later than December 31, 2006.

Contractors shall note that services not paid under the MPFS (e.g., DME, clinical lab, etc) are not impacted by this instruction and claims containing those services shall also be processed beginning January 2, 2007.

## II. BUSINESS REQUIREMENTS TABLE

Use "Shall" to denote a mandatory requirement

Number	Requirement	Responsibility (place an "X" in each applicable column)							
		A	D	F	C	D	R	Shared-System Maintainers	OTHER
		/	M	I	A	M	H		
		B	E		R	E	H		

									F I S S	M C S	V M S	C W F	
5448.1	Contractors shall retrieve the new payment files including the anesthesia file and use the files to process services paid under the MPFS effective for dates of service on and after January 1, 2007. <b>NOTE:</b> The file names and their availability will be sent to contractors via an email notice.	X		X	X		X						
5448.2	Contractors shall begin to process claims with the new fees beginning on January 2, 2007.	X		X	X		X						
5448.3	Contractors shall post the new 2007 MPFS fees on their Web sites no later than December 31, 2006.  <b>NOTE:</b> The President has signed the legislation, therefore, contractors shall post the new fees on their Web sites.	X		X	X								
5448.4	Contractors shall have hard copies of the new 2007 MPFS to mail to those physicians/practitioners that do not have ready Internet access.	X			X								
5448.5	Contractors shall not charge providers requesting hard copy 2007 MPFS who do not have ready Internet access.	X			X								
5448.6	Contractors shall charge a reasonable fee for mailing hard copies of the 2007 MPFS to providers who do have ready Internet access but want a hard copy for convenience.	X			X								
5448.7	Contractors shall handle requests from physicians/practitioners for hard copies of the 2007 MPFS as customer service matters and not a Freedom of Information Act (FIOA) requests.	X			X								
5448.8	Contractors shall handle requests for copies of the 2007 MPFS from other members of the public as FOIA requests.	X			X								
5448.9	Contractors shall perform provider outreach via their Web site and any other appropriate means, such as, linking to the MLN article announcing the new 2007 MPFS rate change and extension of the participation enrollment period to February 14, 2007. <b>NOTE: Provider education/outreach must begin as soon as possible AFTER the President signs the legislation.</b>	X			X								

Number	Requirement	Responsibility (place an "X" in each applicable column)										
		A / B	D M E	F I	C A R R E R	D M R C	R E H R I	Shared-System Maintainers				OTHER
		M A C	M A C		I E R			F I S S	M C S	V M S	C W F	
5448.10	Contractors shall accept any participation changes made during the extended enrollment period that are received or post-marked by February 14, 2007. All par changes are effective retro to January 1, 2007.	X			X							
5448.11	Contractors shall report the data for the participation enrollment period (November 15, 2006 to February 14, 2007) to CMS via the CROWD system by April 2, 2007.	X			X							
5448.12	Contractors shall not automatically adjust claims based on participation status changes unless brought to your attention.	X			X							
5448.13	Contractors shall furnish the Railroad Retirement Board (RRB) with their participation data within 30 days following the close of the extended enrollment period (February 14, 2007).	X			X							
5448.14	Contractors shall load their updated local MEDPARDs to your Web sites within 30 days following the close of the extended enrollment period.	X			X							

### III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility (place an "X" in each applicable column)										
		A / B	D M E	F I	C A R R E R	D M R C	R E H R I	Shared-System Maintainers				OTHER
		M A C	M A C		I E R			F I S S	M C S	V M S	C W F	
5448.15	A provider education article related to this instruction will be available at <a href="http://www.cms.hhs.gov/MLNMattersArticles/">http://www.cms.hhs.gov/MLNMattersArticles/</a> shortly after the CR is released. You will receive notification of the article release via the established "MLN Matters" listserv. Contractors shall post this article, or a direct	X		X	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  I E R	C A R R E R	D M R R I	R E H I	Shared-System Maintainers			
							F I S S	M C S S	V M S S	C W F	
	<p>link to this article, on their Web site and include information about it in a listserv message within one week of the availability of the provider education article. In addition, the provider education article shall be included in your next regularly scheduled bulletin.</p> <p>Contractors are free to supplement MLN Matters articles with localized information that would benefit their provider community in billing and administering the Medicare program correctly.</p>										

**IV. SUPPORTING INFORMATION**

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

*Use "Should" to denote a recommendation.*

X-Ref Requirement Number	Recommendations or other supporting information:

**B. For all other recommendations and supporting information, use the space below:**

**V. CONTACTS**

**Pre-Implementation Contact(s):** Patricia Gill or Kathy Kersell for Part B issues at [patricia.gill@cms.hhs.gov](mailto:patricia.gill@cms.hhs.gov) or [Kathleen.Kersell@cms.hhs.gov](mailto:Kathleen.Kersell@cms.hhs.gov)

For Part A issues, Will Gehne at [Wilfried.Gehne@cms.hhs.gov](mailto:Wilfried.Gehne@cms.hhs.gov)

**Post-Implementation Contact(s):** Appropriate Regional Offices

**VI. FUNDING:**

**A. For TITLE XVIII Contractors, use only one of the following statements:**

No additional funding will be provided by CMS; contractor activities are to be carried out within their FY 2007 operating budgets.

**B. For Medicare Administrative Contractors (MAC), use only one of the following statements:**

The contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the Statement of Work (SOW). The contractor is not obligated to incur costs in excess of the amounts specified 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.----- CR2007MPFSUPDATECHANGE.DOC