

CMS Manual System

Pub 100-04 Medicare Claims Processing

Transmittal 906

Department of Health & Human Services (DHHS)

Centers for Medicare & Medicaid Services (CMS)

Date: APRIL 14, 2006

Change Request 5015

SUBJECT: Full Replacement for Change Request 4266, Revision for Health Professional Shortage Area (HPSA) and Physician Scarcity Area (PSA) Bonus Billing for Some Globally Billed Services. Change Request 4266 is rescinded.

I. SUMMARY OF CHANGES: This Change Request (CR) rescinds and fully replaces CR 4266. The only change is that the CR will not apply to the procedure code 93015.

NEW/REVISED MATERIAL

EFFECTIVE DATE: July 01, 2006

IMPLEMENTATION DATE: July 03, 2006

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 |
|----------|---|
| R | 12/90/90.4.5/Services Eligible for HPSA and Physician Scarcity Bonus Payments |

III. FUNDING:

No additional funding will be provided by CMS; Contractor activities are to be carried out within their FY 2006 operating budgets.

IV. ATTACHMENTS:

Business Requirements
Manual Instruction

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

Attachment - Business Requirements

| | | | |
|-------------|------------------|----------------------|---------------------|
| Pub. 100-04 | Transmittal: 906 | Date: April 14, 2006 | Change Request 5015 |
|-------------|------------------|----------------------|---------------------|

SUBJECT: Full Replacement for Change Request (CR) 4266, Revision to Health Professional Shortage Area (HPSA) and Physician Scarcity Area (PSA) Bonus Billing for Some Globally Billed Services. Change Request 4266 is rescinded.

I. GENERAL INFORMATION

A. Background: Currently, physicians must separately submit the components of services with a professional component/technical component of 4 in order to receive the HPSA and PSA bonus payments. The only change from CR 4266 is that this CR will allow them to submit the global service and receive the bonus payment on all professional component/technical component (PCTC) 4 codes except for procedure code 93015.

B. Policy: This CR does not affect current HPSA or PSA payment policy.

II. BUSINESS REQUIREMENTS

"Shall" denotes a mandatory requirement
"Should" denotes an optional requirement

| Requirement Number | Requirements | Responsibility ("X" indicates the columns that apply) | | | | | | | | |
|--------------------|---|---|-------------|---------------------------------|-----------------------|---------------------------|-------------|-------------|-------------|-------|
| | | F I | R H I | C a r r i e r | D M E R C | Shared System Maintainers | | | | Other |
| | | | | | | F I S S | M C S | V M S | C W F | |
| 5015.1 | Effective for claims received on or after July 1, 2006, when carriers and standard systems receive a claim for a service with a PC/TC of 4, except for 93015, and the service is provided in a HPSA or PSA bonus payment area, they shall accept the claim. | | | X | | X | | | | |
| 5015.2 | The bonus payment amount shall be calculated based on the payment amount for the associated professional component code. | | | X | | X | | | | |
| 5015.3 | To calculate the bonus payment amount, contractors shall first calculate a payment amount based on the global service. | | | X | | X | | | | |

| Requirement Number | Requirements | Responsibility (“X” indicates the columns that apply) | | | | | | | | |
|--------------------|--|---|-------------|---------------------------------|-----------------------|---------------------------|-------------|-------------|-------------|-------|
| | | F I | R H I | C a r r i e r | D M E R C | Shared System Maintainers | | | | Other |
| | | | | | | F I S S | M C S | V M S | C W F | |
| 5015.3.1 | Contractors shall then calculate the bonus amount by determining what the percentage relationship is on the Medicare physician fee schedule between the associated professional global components and the global payment for that service. | | | X | | X | | | | |
| 5015.3.2 | Contractors shall apply the percentage of the professional component to the payable service amount and pay the bonus based on that amount. For example: The submitted charge for the global payment is \$100 for a service eligible for a HPSA bonus. The payable amount is \$80. The associated professional component is 30% of the global amount, i.e., \$24. The bonus payment would be 10% of \$24, i.e., \$2.40. | | | X | | X | | | | |
| 5015.4 | The deductible that was actually applied to the globally billed service shall be apportioned by the percentage based on the ratio of the associated professional component fee schedule amount to the globally billed fee schedule amount. | | | X | | X | | | | |
| 5015.5 | Any MSP payments shall be applied and apportioned in the same manner. | | | X | | X | | | | |
| 5015.6 | The carriers and standard systems shall make any necessary revision to their systems to be able to calculate the bonus payment just for the professional component of the service. This action shall be taken for bonuses paid automatically as well as bonuses paid based on the submission of the QB, QU, AR, or AQ modifiers. | | | X | | X | | | | |

| Requirement Number | Requirements | Responsibility (“X” indicates the columns that apply) | | | | | | | | |
|--------------------|---|---|-------------|---------------------------------|-----------------------|---------------------------|-------------|-------------|-------------|-------|
| | | F I | R H I | C a r r i e r | D M E R C | Shared System Maintainers | | | | Other |
| | | | | | | F I S S | M C S | V M S | C W F | |
| 5015.7 | Carriers shall continue to allow the option of withholding HPSA/PSA bonuses upon request from physicians. | | | X | | | | | | |
| 5015.7.1 | Carriers shall not pay the bonus on PCTC 4 services for physicians who have already notified them of their decision to not receive HPSA/PSA bonuses. | | | X | | | | | | |
| 5015.8 | As there are two associated professional components to 93015, carriers shall follow the instructions in Pub. 100.4, Chapter 12, Section 90.4.5, and return claims for 93015 as unprocessable. | | | X | | X | | | | |

III. PROVIDER EDUCATION

| Requirement Number | Requirements | Responsibility (“X” indicates the columns that apply) | | | | | | | | |
|--------------------|--|---|-------------|---------------------------------|-----------------------|---------------------------|-------------|-------------|-------------|-------|
| | | F I | R H I | C a r r i e r | D M E R C | Shared System Maintainers | | | | Other |
| | | | | | | F I S S | M C S | V M S | C W F | |
| 5015.9 | A provider education article related to this instruction will be available at www.cms.hhs.gov/MLNMattersArticles 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 link to this article, on their Web site and include information about it in a listserv message within 1 week of the availability of the provider education article. In addition, the provider education article shall be included in your next regularly scheduled bulletin and incorporated into any educational events on this topic. | | | X | | | | | | |

| Requirement Number | Requirements | Responsibility (“X” indicates the columns that apply) | | | | | | | |
|--------------------|---|---|-------------|---------------------------------|-----------------------|---------------------------|-------------|--|--|
| | | F I | R H I | C a r r i e r | D M E R C | Shared System Maintainers | | | |
| F I S S | M C S | | | | | V M S | C W F | | |
| | 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. | | | | | | | | |

IV. SUPPORTING INFORMATION AND POSSIBLE DESIGN CONSIDERATIONS

A. Other Instructions:

| X-Ref Requirement # | Instructions |
|---------------------|--|
| CR 3822 | Revision to HPSA and PSA Payment Rules |

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

V. SCHEDULE, CONTACTS, AND FUNDING

| | |
|--|--|
| <p>Effective Date*: July 1, 2006</p> <p>Implementation Date: July 3, 2006</p> <p>Pre-Implementation Contact(s): Leslie Trazzi; leslie.trazzi@cms.hhs.gov</p> <p>Post-Implementation Contact(s): Regional Office; www.cms.hhs.gov/RegionalOffices</p> | <p>No additional funding will be provided by CMS; contractor activities are to be carried out within their FY 2006 operating budgets.</p> |
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***Unless otherwise specified, the effective date is the date of service.**

90.4.5 - Services Eligible for HPSA and Physician Scarcity Bonus Payments

(Rev. 906, Issued: 04-14-06; Effective: 07-01-06; Implementation: 07-03-06)

A. Information in the Professional Component/Technical Component (PC/TC) Indicator Field of the Medicare Physician Fee Schedule Database

Carriers use the information in the Professional Component/Technical Component (PC/TC) indicator field of the Medicare Physician Fee Schedule Database to identify professional services eligible for HPSA and physician scarcity bonus payments. The following are the rules to apply in determining whether to pay the bonus on services furnished within a geographic HPSA or, physician scarcity bonus area. Should carriers receive notification from physicians that they have chosen to forego the bonus payments, the carriers shall make no bonus payments to that physician for any service.

| PC/TC Indicator | Bonus Payment Policy |
|------------------------|--|
| 0 | Pay bonus |
| 1 | Globally billed. Only the professional component of this service qualifies for the bonus payment. The bonus cannot be paid on the technical component of globally billed services. ACTION: Effective for claims received prior to October 1, 2005, carriers return the service as unprocessable and notify the physician that the professional component must be re-billed if it is performed within a qualifying bonus area. If the technical component is the only component of the service that was performed in the bonus area, there wouldn't be a qualifying service. Effective for claims received on or after October 1, 2005, carriers shall accept claims with services with a PC/TC indicator of 1 that are eligible for the HPSA or PSA bonus. They shall pay the bonus only on the professional component of the service. |
| 1 | Professional Component (modifier 26). Carriers pay the bonus. |
| 1 | Technical Component (modifier TC). Carriers do not pay the bonus. |
| 2 | Professional Component only. Carriers pay the bonus. |
| 3 | Technical Component only. Carriers do not pay the bonus. |
| 4 | Global test only. Only the professional component of this service qualifies for the bonus payment. ACTION: <i>Effective for claims received prior to July 1, 2006</i> , carriers return the service as unprocessable. They instruct the provider to re-bill the service as separate professional and technical component procedure codes. <i>Effective for claims received on or after July 1, 2006, except for 93015, carriers shall accept claims with services with a PC/TC indicator of 4 that are eligible for the HPSA or PSA bonus. They shall pay the bonus only on the associated professional component of the service. Since 93015 has two</i> |

| PC/TC Indicator | Bonus Payment Policy |
|------------------------|--|
| | <i>associated professional components, carriers will not be able to make a determination as to which would be the correct component to use to calculate the bonuses. Therefore, carriers shall continue to treat 93015 as unprocessable.</i> |
| 5 | Incident to codes. Carriers do not pay the bonus. |
| 6 | Laboratory physician interpretation codes. Carriers pay the bonus. |
| 7 | Physical therapy service. Carriers do not pay the bonus. |
| 8 | Physician interpretation codes. Carriers pay the bonus. |
| 9 | Concept of PC/TC does not apply. Carriers do not pay the bonus. |

NOTE: Codes that have a status of “X” on the Medicare Physician Fee Schedule Database (MFSDB) have been assigned PC/TC indicator 9 and are not considered physician services for MFSDB payment purposes. Therefore, neither the HPSA bonus payment nor the physician scarcity area bonus payment will be paid for these codes.

B. Anesthesia Codes (CPT Codes 00100 Through 01999) That Do Not Appear on the MFSDB

Anesthesia codes (CPT codes 00100 through 01999) do not appear on the MFSDB. However, when a medically necessary anesthesia service is furnished within a HPSA or physician scarcity area by a physician, a HPSA bonus and/or physician scarcity bonus is payable.

To claim a bonus payment for anesthesia, physicians bill codes 00100 through 01999 with modifiers QY, QK, AD, AA, or GC to signify that the anesthesia service was performed by a physician along with the QB or QU modifier, *or the AQ modifier for claims with dates of service on or after January 1, 2006*, when required per §90.4.3 or the AR modifier as required per §90.5.3.

C. Mental Health Services

Physicians’ professional services rendered by the provider specialty of 26 – psychiatry, are eligible for a HPSA bonus when rendered in a mental health HPSA. The service must have a PC/TC designation per the chart above. Should a zip code fall within both a primary care and mental health HPSA, only one bonus must be paid on the service.