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| CMS Manual System | Department of Health & Human Services (DHHS) |
| Pub 100-04 Medicare Claims Processing | Centers for Medicare & Medicaid Services (CMS) |
| Transmittal 4431 | Date: November 1, 2019 |
| | Change Request 11327 |

SUBJECT: Health Professional Shortage Area (HPSA) Bonus Payments for All Mental Health Specialties

I. SUMMARY OF CHANGES: Currently, the claims manual indicates that for mental health HPSA bonus payments, only specialty 26 is set up to receive the bonus. The contractor shall update their system according to the business requirements set forth in this change request to make all psychiatric specialties eligible to receive the mental health bonus.

EFFECTIVE DATE: February 4, 2020 - For claims processed on or after 90 days from issuance.

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

IMPLEMENTATION DATE: February 4, 2020

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 | 12/90/90.4/90.4.2/HPSA Designations |
| R | 12/90/90.4/90.4.5/Services Eligible for HPSA and Physician Scarcity Bonus Payments |
| R | 12/90/90.4/90.4.7/Post-payment Review |

III. FUNDING:

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:

**Business Requirements
Manual Instruction**

Attachment - Business Requirements

| | | | |
|-------------|-------------------|------------------------|-----------------------|
| Pub. 100-04 | Transmittal: 4431 | Date: November 1, 2019 | Change Request: 11327 |
|-------------|-------------------|------------------------|-----------------------|

SUBJECT: Health Professional Shortage Area (HPSA) Bonus Payments for All Mental Health Specialties

EFFECTIVE DATE: February 4, 2020 - For claims processed on or after 90 days from issuance.

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

IMPLEMENTATION DATE: February 4, 2020

I. GENERAL INFORMATION

A. Background: The Centers for Medicare & Medicaid Services (CMS) has identified an issue that exists with the HPSA bonus payment for mental health specialties. Currently, the claims manual indicates that for mental health HPSA bonus payments, only specialty 26 is set up to receive the bonus. Although specialty 26 is correctly eligible to receive the bonus, mental health specialties 27, 86, and any of the future psychiatry provider specialties, are also bonus payment eligible. CMS does not expect claims for the HPSA bonus payment, for prior years, to be an enormous workload, as many psychiatrists may have been enrolled with a general psychiatry specialty and have already received the bonus payment.

Per this Change Request (CR), CMS will instruct the Medicare Administrative Contractors (MACs) to update their systems and allow all the physician psychiatric specialties, beginning with claims processed on or after 90 days from issuance, to receive the HPSA bonus payment.

B. Policy: The contractor shall update their system, via the Spitab table, to make all mental health specialties eligible to receive the mental health HPSA bonus payment, effective for claims processed on or after 90 days from issuance. The contractor shall take action to pay the HPSA bonus for appropriate claims for the two newly added specialties for claims processed on or after 90 days from issuance. The contractor shall also update the Spitab table with any future physician psychiatry specialty codes. At their discretion, the contractor may update and implement the changes listed in this CR prior to the implementation date.

II. BUSINESS REQUIREMENTS TABLE

"Shall" denotes a mandatory requirement, and "should" denotes an optional requirement.

| Number | Requirement | Responsibility | | | | | | | | Oth |
|---------|--|----------------|---|-------------|-------------|----------------------------------|-------------|-------------|-------------|-----|
| | | A/B MAC | | | D M E | Shared- System Maintainers | | | | |
| | | A | B | H H H | | F I S S | M C S | V M S | C W F | |
| 11327.1 | The contractor shall update the Spitab table to reflect the following psychiatry specialty codes as being eligible to receive the mental health HPSA bonus. <ul style="list-style-type: none"> • 27 • 86 | | X | | | | | | | |

| Number | Requirement | Responsibility | | | | | | | | | | | Oth | |
|---------|---|----------------|---|-------------|----------------------------|----------------------------------|---|---|---|------------------|-------------|-------------|-----|-------------|
| | | A/B MAC | | | D M E M A C | Shared- System Maintainers | | | | F I S S | M C S | V M S | | C W F |
| | | A | B | H H H | | F | M | V | C | | | | | |
| | | | | | | | | | | | | | | |
| 11327.2 | Effective for claims processed on or after 90 days from issuance, the contractor shall take action to process and pay the mental health HPSA bonus for the additional psychiatry specialty codes listed in BR 11327.1. | | X | | | | | | | | | | | |
| 11327.3 | The contractor shall make any necessary adjustments to allow psychiatrists, enrolled as specialty 26, 27, and/or 86, to receive the mental health HPSA bonus. | | X | | | | | | | | | | | |
| 11327.4 | For claims processed prior to the implementation of this instruction, when brought to their attention (if necessary), the contractor shall contact their COR to determine next steps for processing the claim(s) on a case by case basis. | | X | | | | | | | | | | | |
| 11327.5 | At their discretion, the contractor should implement these changes prior to the implementation date listed. | | X | | | | | | | | | | | |

III. PROVIDER EDUCATION TABLE

| Number | Requirement | Responsibility | | |
|---------|---|----------------|---|-------------|
| | | A/B MAC | | |
| | | A | B | H H H |
| 11327.6 | MLN Article: CMS will make available an MLN Matters provider education article that will be marketed through the MLN Connects weekly newsletter shortly after the CR is released. MACs shall follow IOM Pub. No. 100-09 Chapter 6, Section 50.2.4.1, instructions for distributing MLN Connects information to providers, posting the article or a direct link to the article on your website, and including the article or a direct link to the article in your bulletin or newsletter. You may supplement MLN Matters articles with localized information benefiting your provider community in billing and administering the Medicare program correctly. Subscribe to the "MLN Matters" listserv to get article release notifications, or review them in the MLN Connects weekly newsletter. | | X | |

IV. SUPPORTING INFORMATION

Section A: Recommendations and supporting information associated with listed requirements:

"Should" denotes a recommendation.

| X-Ref Requirement Number | Recommendations or other supporting information: |
|---------------------------------|---|
| | N/A |

Section B: All other recommendations and supporting information: N/A

V. CONTACTS

Pre-Implementation Contact(s): Dennis Savedge, 410-786-0140 or dennis.savedge@cms.hhs.gov , Christi Lewis, 410-786-6900 or christi.lewis@cms.hhs.gov

Post-Implementation Contact(s): Contact your Contracting Officer's Representative (COR).

VI. FUNDING

Section A: 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: 0

90.4.2 - HPSA Designations

(Rev. 4431, Issued: 11-01-19, Effective: 02-04-20, Implementation: 02-04-20)

HPSA designations are made by the Health Resources and Services Administration's (HRSA) Division of Shortage Designation (DSD). An automated file of areas eligible for the HPSA bonus payment will be updated on an annual basis and will be effective for services rendered with dates of service on or after January 1 of each calendar year. Physicians may only use the AQ modifier for services furnished in an area that was designated as of December 31 of the prior year. This information can be downloaded from the HRSA Web site.

A/B MACs (B) will be informed of the availability of the file and the file name via an email notice. A/B MACs (B) will automatically pay bonuses for services rendered in ZIP Code areas that fully fall within a designated primary care or mental health full county HPSA; are considered to fully fall in the county based on a determination of dominance made by the United States Postal Service (USPS); or are fully within a partial county HPSA area. Should a ZIP Code fall within both a primary care and mental health HPSA, only one bonus will be paid on the service. *Bonuses for mental health HPSAs will be paid when performed by any of the psychiatry provider specialties.*

For services rendered in ZIP Code areas that do not fall within a designated full county HPSA; are not considered to fall within the county based on a determination of dominance made by the USPS; or are partially within a partial county HPSA, physicians must submit a AQ modifier to receive payment.

To determine whether a modifier is needed, physicians must review the information provided on the CMS Web or the HRSA Web site for HPSA designations to determine if the location where they render services is, indeed, within a HPSA bonus area. Physicians may also base the determinations on letters of designations received from HRSA. They must be prepared to provide these letters as documentation upon the request of the A/B MAC (B) and should verify the eligibility of their area for a bonus with their A/B MAC (B) before submitting services with a HPSA modifier.

For services rendered in ZIP Code areas that cannot automatically receive the bonus, it will be necessary to know the census tract of the area to determine if a bonus should be paid and a modifier submitted. Census tract data can be retrieved by visiting the U.S. Census Bureau Web site at www.Census.gov or the Federal Financial Institutions Examination Council (FFIEC) Web site at www.ffiec.gov/geocode/default.htm. Instructions on how to use these Web sites can be found on the CMS Web site at <http://new.cms.hhs.gov/HPSAPSAPhysicianBonuses>. Neither CMS nor the Medicare A/B MACs (B) can provide information on the functionality of these Web sites.

90.4.5 - Services Eligible for HPSA and Physician Scarcity Bonus Payments

(Rev. 4431, Issued: 11-01-19, Effective: 02-04-20, Implementation: 02-04-20)

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

A/B MACs (B) 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 A/B MACs (B) receive notification from physicians that they have chosen to forego the bonus payments, the A/B MACs (B) 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. |

| PC/TC Indicator | Bonus Payment Policy |
|------------------------|--|
| | <p>ACTION: Effective for claims received prior to October 1, 2005, A/B MACs (B) 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.</p> <p>Effective for claims received on or after October 1, 2005, A/B MACs (B) 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.</p> |
| 1 | Professional Component (modifier 26). A/B MACs (B) pay the bonus. |
| 1 | Technical Component (modifier TC). A/B MACs (B) do not pay the bonus. |
| 2 | Professional Component only. A/B MACs (B) pay the bonus. |
| 3 | Technical Component only. A/B MACs (B) do not pay the bonus. |
| 4 | <p>Global test only. Only the professional component of this service qualifies for the bonus payment.</p> <p>ACTION: Effective for claims received prior to July 1, 2006, A/B MACs (B) return the service as unprocessable. They instruct the provider to re-bill the service as separate professional and technical component procedure codes.</p> <p>Effective for claims received on or after July 1, 2006, except for 93015, A/B MACs (B) 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 associated professional components, A/B MACs (B) will not be able to make a determination as to which would be the correct component to use to calculate the bonuses. Therefore, A/B MACs (B) shall continue to treat 93015 as unprocessable.</p> |
| 5 | Incident to codes. A/B MACs (B) do not pay the bonus. |
| 6 | Laboratory physician interpretation codes. A/B MACs (B) pay the bonus. |
| 7 | Physical therapy service. A/B MACs (B) do not pay the bonus. |
| 8 | Physician interpretation codes. A/B MACs (B) pay the bonus. |

| PC/TC Indicator | Bonus Payment Policy |
|-----------------|---|
| 9 | Concept of PC/TC does not apply. A/B MACs (B) 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 any of the psychiatry provider specialties, 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.

90.4.7 - Post-payment Review

(Rev. 4431, Issued: 11-01-19, Effective: 02-04-20, Implementation: 02-04-20)

On a post-payment basis, services submitted with the QB or QU modifier, or the AQ modifier for claims with dates of service on or after January 1, 2006, will be subject to validation.

Effective for claims with the dates of service on or after January 1, 2005, the date of the HPSA designation or withdrawal on the HRSA Web site or the date of designation or withdrawal in notification letters from HRSA are used as the effective date for paying the HPSA bonus.

Effective for claims with dates of service on or after January 1, 2006, A/B MAC Part B A/B MACs (B) shall only include services paid with the AQ modifier for post-payment HPSA review. Services with bonuses that were automatically paid based on the ZIP code for the HPSA post-payment review process shall not be included. Additional post- payment will be conducted at the A/B MAC (B)’s discretion. Effective for claims with dates of service on or after January 1, 2009, for Medicare bonus payment purposes, A/B MACs (B) shall only consider services eligible for bonuses if the area was designated as a HPSA as of December 31 of the prior year.

The post-payment review will be conducted each quarter as follows:

- Array each list of physicians by the total amount of incentive payments received.
- Select the 25 percent of physicians on each list who received the highest payments.
- Review a sample of 5 claims by each physician on each list (ensure the sample is representative of different types of settings, if applicable).

- The findings must be transmitted via CROWD (Form 1565E) to central office no later than the 75th day following the close of the CROWD reporting quarter.

Physicians who appear on a list, were previously reviewed, and subsequently found to be in compliance shall be excluded from the current reporting. The 5 claim sample shall be reviewed to ensure the place of service was actually in a HPSA bonus area. *In addition, effective for claims with dates of service on or after July 1, 2004, services selected as part of the 25% sample will be verified that they were provided in a mental health HPSA by any of the psychiatry provider specialties.*

Once a physician has incorrectly claimed incentive payments, the A/B MACs (B) shall continue to monitor the physician's claims until they are found to be in compliance.

The designations on the HRSA Web site and HRSA letters can be used to verify that services were provided in a HPSA. Physicians are permitted to submit copies of HRSA designation letters as appropriate documentation to their.

If it is determined that a HPSA bonus was paid in error, the A/B MAC (B) will pursue the amount of any overpayment by directly contacting the physician and his/her billing staff. For Medicare HPSA bonus payment purposes, designations are valid for the entire calendar year regardless of whether the HPSA designation is withdrawn by the HRSA during that year.