

CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-20 One-Time Notification	Centers for Medicare & Medicaid Services (CMS)
Transmittal 1194	Date: February 22, 2013
	Change Request 8206

SUBJECT: Multiple Procedure Payment Reduction (MPPR) for Selected Therapy Services

I. SUMMARY OF CHANGES: Section 633 of the American Taxpayer Relief Act of 2012 increased the MPPR on selected therapy services to 50 percent for both office and institutional settings.

EFFECTIVE DATE: April 1, 2013

IMPLEMENTATION DATE: April 1, 2013

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:

For Fiscal Intermediaries (FIs), Regional Home Health Intermediaries (RHHIs) and/or Carriers:

No additional funding will be provided by CMS; Contractors activities are to be carried out with their operating budgets

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 obliged 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:

One Time Notification

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

Attachment - One-Time Notification

Pub. 100-20	Transmittal: 1194	Date: February 22, 2013	Change Request: 8206
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SUBJECT: Multiple Procedure Payment Reduction (MPPR) for Selected Therapy Services

EFFECTIVE DATE: April 1, 2013

IMPLEMENTATION DATE: April 1, 2013

I. GENERAL INFORMATION

A. Background: Effective January 1, 2011, Medicare applied an MPPR to the practice expense (PE) payment of select therapy services paid under the physician fee schedule or paid at the physician fee schedule rate. Currently, the reduction is 20 percent for therapy services furnished in office and other non-institutional settings, and 25 percent for therapy services furnished in institutional settings. Effective for claims with dates of service April 1, 2013 and after, section 633 of the American Taxpayer Relief Act of 2012 revised the reduction to 50 percent for all settings.

B. Policy: Many therapy services are time-based codes, i.e., multiple units may be billed for a single procedure. The MPPR applies to the PE payment when more than one unit or procedure is provided to the same patient on the same day, i.e., the MPPR applies to multiple units as well as multiple procedures. Full payment is made for the unit or procedure with the highest PE payment. Effective for claims with dates of service April 1, 2013 and after, full payment is made for the work and malpractice components and 50 percent payment is made for the PE for subsequent units and procedures, furnished to the same patient on the same day.

For therapy services furnished by a group practice or “incident to” a physician’s service, the MPPR applies to all services furnished to a patient on the same day, regardless of whether the services are provided in one therapy discipline or multiple disciplines, for example, physical therapy, occupational therapy, or speech-language pathology.

The reduction applies to the HCPCS codes contained on the list of “always therapy” services that are paid under the physician fee schedule, regardless of the type of provider or supplier that furnishes the services (e.g. hospitals, home health agencies, and comprehensive outpatient rehabilitation facilities (CORFs)). For professional claims, the MPPR applies to the procedures with a Multiple Procedure (Field 21) value of “5” on the Medicare Fee Schedule Database (MFSDB). For institutional claims, the MPPR applies to procedures with a Multiple Services Indicator (field labeled MULTSURG) value of “5” on the therapy abstract file.

When applying the 50 percent reduction to non-facility PE RVUs, the contractors shall use the fee schedule amounts supplied in field 31EE.

Note that these services are paid with a non-facility PE. The current and revised payments are shown in the example in the attached example.

II. BUSINESS REQUIREMENTS TABLE

Number	Requirement	Responsibility										
		A/B MAC		D M E M A C	F I	C A R R I E R	R H I	Shared- System Maintainers				Other
		P a r t A	P a r t B					F I S S	M C S	V M S	C W F	
8206.1	Contractors shall be aware of the 50 percent reduction to the practice expense for subsequent therapy units and procedures furnished to the same patient on the same day for claims with dates of service on or after April 1, 2013.	X	X		X	X	X					
8206.2	Contractors shall load the updated MPFS file MU00.@BF12390.MPFS.CY13.RV2.C00000.V0215.JAN which contains the 20 percent reduction to be used to process claims with dates of service January 1, 2013 through March 31, 2013. Contractors will receive the updated MPFS file as part of the April Recurring Update.		X			X						
8206.2.1	Contractors shall load the updated MPFS file MU00.@BF12390.MPFS.CY13.RV2.C00000.V0215.APR which contains the updated file for applying the 50 percent reduction. Contractors will receive the updated MPFS file as part of the April Recurring Update.		X			X						
8206.3	Contractors shall load the updated therapy abstract file MU00.@BF12390.MPFS.CY13.ABSTR.V0215.FI.JAN which contains the 25 percent reduction to be used to process claims with dates of service January 1, 2013 through March 31, 2013. Contractors will receive the updated ABST file as part of the April Recurring Update.	X			X	X						
8206.3.1	Contractors shall load the updated therapy abstract file MU00.@BF12390.MPFS.CY13.ABSTR.V0215.FI.APR which contains the updated amounts for applying the 50 percent reduction. Contractors will receive the updated ABST file as part of the April Recurring Update.	X			X	X						

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility						
		A/B MAC		D M E M A C	F I	C A R R I E R	R H I	Other
		P a r t A	P a r t B					
8206.4	MLN Article : A provider education article related to this instruction will be available at http://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 sites 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 the contractor's next regularly scheduled bulletin. 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.	X	X		X	X	X	

IV. SUPPORTING INFORMATION

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

X-Ref Requirement Number	Recommendations or other supporting information:
8206.1	Other than the reduction percentage, all other processing requirements from CR 7050 remain unchanged.

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

V. CONTACTS

Pre-Implementation Contact(s): Brian Reitz, 410-786-5001 or brian.reitz@cms.hhs.gov (For Part B claims processing issues.) , Wil Gehne, 410-786-6148 or wilfried.gehne@cms.hhs.gov (For institutional claims processing issues.) , Charles Campbell, 410-786-7290 or charles.campbell@cms.hhs.gov (For MPFSDB issues.) , Kenneth Marsalek, 410-786-4502 or kenneth.marsalek@cms.hhs.gov (For policy issues.)

Post-Implementation Contact(s): Contact your Contracting Officer's Representative (COR) or Contractor Manager, as applicable.

VI. FUNDING

Section A: For Fiscal Intermediaries (FIs), Regional Home Health Intermediaries (RHHIs), and/or Carriers:

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Section B: For Medicare Administrative Contractors (MACs):

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ATTACHMENT: Sample Payment Calculation

Attachment

Sample Payment Calculation						
	Procedure 1	Procedure 1		Total	Revised	
	Unit 1	Unit 2	Procedure 2	Current	Total	Revised Payment
				Payment	Payment	Calculation
Work	\$7.00	\$7.00	\$11.00	\$25.00	\$25.00	no reduction
PE	\$10.00	\$10.00	\$8.00	\$23.50	\$19.00	$\$10 + (.50 \times \$10) + (.50 \times \$8)$
MP	\$1.00	\$1.00	\$1.00	\$3.00	\$3.00	no reduction
Total	\$18.00	\$18.00	\$20.00	\$51.50	\$47.00	$\$18 + (\$18 - \$10) + (.50 \times \$10) + (\$20 - \$8) + (.50 \times \$8)$

Note: The Total Current Payment reflects the 25% reduction for institutional services.