CMS Manual System	**Department of Health & Human Services (DHHS)**
Pub 100-04 Medicare Claims Processing	**Centers for Medicare & Medicaid Services (CMS)**
Transmittal 2152	**Date: February 11, 2011**
	Change Request 7267

SUBJECT: Primary Care Incentive Payment Program (PCIP) Eligibility for New Providers Enrolled in Medicare

I. SUMMARY OF CHANGES: Section 5501(a) of the Affordable Care Act revises Section 1833 of the Social Security Act (the Act) by adding a new paragraph (x), Incentive Payments for Primary Care Services. Section 1833(x) of the Act states that in the case of primary care services furnished on or after January 1, 2011, and before January 1, 2016, by a primary care practitioner, there also shall be paid on a quarterly basis an amount equal to 10 percent of the payment amount for such services paid under the Physician Fee Schedule (PFS). This Change Request will amend the PCIP program to include participation for newly enrolled Medicare Practitioners who do not have a prior two year period claims history in which to determine eligibility. This CR will be implemented July 5, 2011.

EFFECTIVE DATE: July 1, 2011
IMPLEMENTATION DATE: July 5, 2011

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	12/230 - Primary Care Incentive Payment Program (PCIP)
R	12/230.1 - Definition of Primary Care Practitioners and Primary Care Services
R	12/230.2 - Coordination with Other Payments
R	12/230.3 - Claims Processing and Payment

III. FUNDING:
For Fiscal Intermediaries (FIs), Regional Home Health Intermediaries (RHHIs):
No additional funding will be provided by CMS; Contractor activities are to be carried out within 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 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
**Unless otherwise specified, the effective date is the date of service.*

Attachment - Business Requirements

Pub. 100-04	Transmittal:2152	Date: February 11, 2011	Change Request: 7267

SUBJECT: Primary Care Incentive Payment Program (PCIP) Eligibility for New Providers Enrolled in Medicare

Effective Date: July 1, 2011

Implementation Date: July 5, 2011

I. GENERAL INFORMATION

Background: Section 5501(a) of the Affordable Care Act revises Section 1833 of the Social Security Act (the Act) by adding a new paragraph (x), Incentive Payments for Primary Care Services. Section 1833(x) of the Act states that in the case of primary care services furnished on or after January 1 2011, and before January 1, 2016, by a primary care practitioner, there also shall be paid on a quarterly basis an amount equal to 10 percent of the payment amount for such services paid under Part B. This Change Request will amend the PCIP to allow the incentive payment for qualifying practitioners newly enrolled in Medicare in the year immediately preceding the PCIP payment year.

Policy: For primary care services furnished on or after January 1, 2011 and before January 1, 2016, a 10 percent incentive payment will be provided to primary care practitioners enrolled in Medicare with a primary specialty designation of 08-family practice, 11-internal medicine, 37-pediatrics, or 38-geriatrics, 50-nurse practitioner, 89-certified clinical nurse specialist, or 97-physician assistant; and for whom the PCIP eligible primary care services account for at least 60 percent of the allowed charges under the PFS (excluding hospital inpatient care and emergency department visits) for such practitioners during the time period that has been specified by the Secretary.

Eligibility of New Providers for Payment under the Primary Care Incentive Payment Program

In the case of new providers enrolled in Medicare in the year immediately preceding the PCIP payment year who do not have claims data from 2 years prior to the PCIP payment year upon which an eligibility determination can be made, PCIP eligibility will be determined using only the most recent prior year claims data available with no minimum time period that the potential primary care practitioner must have been enrolled in Medicare. Therefore, newly enrolled potential primary care practitioners would need to wait no more than one year following their enrollment and first billing in order for the primary care services furnished by eligible primary care practitioners to be subject to the PCIP in the year following the practitioner's initial enrollment.

Due to the processing lag for claims data for the previous calendar year (CY), PCIP eligibility determinations for newly enrolled primary care practitioners will be delayed until after the end of the PCIP payment year. Although PCIP payments will ultimately be made for all primary care services the eligible practitioners furnished throughout the full PCIP payment year. Therefore, a single cumulative PCIP payment for newly enrolled primary care practitioners will be based on eligible services rendered from January 1 through December 31 of the payment year, and will be made following the fourth quarter of the incentive payment year.

CMS will provide contractors with two data files. First, the "PCIP Payment for New Providers Enrolled in Medicare File" will list all eligible, newly enrolled primary care practitioners by national provider identifier (NPI) and will be used to identify practitioner eligible for PCIP payment. Second, "PCIP Inquiry for New

Providers Enrolled in Medicare File" will list all newly enrolled Medicare practitioners and their percentage of primary care services to be used for inquiries. Files will be available in October of the PCIP payment year.

If a claim for a primary care service is submitted by a physician or group practice, the primary care professional service must be reported under a practitioner with a qualifying NPI in order for the service to qualify for the incentive payment. The PCIP payments will be calculated by the Medicare contractors and the single cumulative PCIP payment for newly enrolled primary care practitioners will be made following the fourth quarter and will reflect eligible PCIP services furnished from January 1 thru December 31 of the PCIP payment year. Newly enrolled primary care practitioners who receive the PCIP payment under this provision are not assured eligibility for PICP payment in subsequent years, as primary care practitioners need to qualify for the PCIP each year.

II. BUSINESS REQUIREMENTS TABLE

Number	Requirement	Responsibility is indicated by an "X" in each applicable column)									
		A/B MAC	DME MAC	FI	CARRIER	RHHI	Shared-System Maintainers				Other
							FISS	MCS	VMS	CWF	
7267.1	CMS shall provide contractors, on an annual basis, with a "PCIP Payment for New Providers Enrolled in Medicare File" which will list all qualifying newly enrolled Medicare NPIs and "PCIP Inquiry for New Providers Enrolled in Medicare File" which will list all newly enrolled Medicare providers. Note: When final file names are made available this CR will be re-issued.							X			CMS
7267.2	Contractors shall download "PCIP Payment for New Providers Enrolled in Medicare File" and "PCIP Inquiry for New Providers Enrolled in Medicare File" on the CMS mainframe by October 3, 2011.	X			X			X			CMS
7267.3	Contractors shall post the information in the "PCIP Payment for New Providers Enrolled in Medicare File" to their web site by November 28, 2011.	X			X						
7267.4	Contractors/data centers shall download from the CMS mainframe the TEST files on or around September 19, 2011	X			X			X			All EDCs (CDS, HP)
7267.5	Contractors/data centers shall retrieve the FINAL files from the CMS mainframe system on or around October 3, 2011	X			X			X			ALL EDCs (CDS, HP)
7267.6	For newly eligible primary care practitioners listed on the "PCIP Payment for New Providers Enrolled in Medicare File", contractors shall make the single cumulative PCIP payments after the fourth quarter of	X			X			X			

Number	Requirement	Responsibility is indicated by an "X" in each applicable column)									
		A/B MAC	DME MAC	FI	CARRIER	RHHI	Shared-System Maintainers				Other
							FISS	MCS	VMS	CWF	
	the payment year.										
7267.6.1	Contractors shall base the single cumulative PCIP payment for newly enrolled primary care practitioners on eligible services rendered from January 1 through December 31 of the payment year.	X			X			X			
7267.6.2	Contractors shall base any subsequent PCIP payments for newly enrolled primary care practitioners on one quarter's worth of eligible claims and make quarterly payments as long as the primary care practitioner remains eligible. Note: PCIP eligibility is established annually	X			X			X			
7267.7	Payment of the incentive shall be made to the individual or group following normal claims payment protocol.	X			X			X			
7267.8	For each qualifying NPI on the "PCIP Payment for New Providers Enrolled in Medicare File," contractors shall accumulate the total paid amount (or review paid claims history) for codes 99201 through 99215, and 99304 though 99350 for all four quarters of the payment year.	X			X			X			
7267.9	For each payment contractors shall calculate a payment equal to 10 percent of the <u>amount paid</u> each for CPT codes 99201 through 99215, and 99304 though 99350, billed by the PTANs associated with each qualifying NPI listed on the "PCIP Payment for New Providers Enrolled in Medicare File." NOTE: The incentive payment is based on the amount paid, and not the Medicare approved amount.	X			X			X			
7267.10	Contractors shall use the special incentive remittance that is currently used for the HPSA physician bonus payment program to include other incentive payments so that physicians can identify which type of incentive payment (HPSA physician, HSIP, or PCIP) was paid for each incentive program.	X			X			X			
7267.11	Contractors shall pay the single cumulative PCIP payment for newly enrolled practitioners at the same time and on the same check as the HPSA physician bonus. Note: The single incentive payment will be made in January, following the PCIP program eligibility year.	X			X						All EDCs (CDS, HP,) HIGLASS
7267.12	Contractors shall use the data file, "PCIP Inquiry for New Providers Enrolled in Medicare File" to respond to	X			X						

Number	Requirement	Responsibility is indicated by an "X" in each applicable column)									
		A/B MAC	DME MAC	FI	CARRIER	RHHI	Shared-System Maintainers				Other
							FISS	MCS	VMS	CWF	
	eligibility inquires from practitioners and group practices.										
7267.13	Contractors shall have access to the "PCIP Inquiry for New Providers Enrolled in Medicare File" information through the Multi-carrier System Desktop Tool (MCSDT), and this same information shall be available through MCS for those contractors that do not use the MCSDT.	X			X			X			CMS

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A/B MAC	DME MAC	FI	CARRIER	RHHI	Shared-System Maintainers				OTHER
							FISS	MCS	VMS	CWF	
7267.14	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 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. 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						

IV. SUPPORTING INFORMATION

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

X-Ref Requirement Number	Recommendations or other supporting information:

X-Ref Requirement Number	Recommendations or other supporting information:
7267.1 – 7267.13	See CR 7060 for eligibility requirement and implementation of the PCIP program.

Section B: For all other recommendations and supporting information: See the attached Primary Care Incentive Payment Program Eligibility for New Providers Enrolled in Medicare File Layout and Primary Care Incentive Payment Program Inquiry for New Providers Enrolled in Medicare.

V. CONTACTS

Pre-Implementation Contact(s):

For payment policy questions please call Stephanie Frilling at (410) 786-4507 (or e-mail her at Stephanie.Frilling@cms.hhs.gov)

For claims processing questions please call Kathleen Kersell (410) 786-2033 (or e-mail her at Kathleen.Kersell@cms.hhs.gov).

Post-Implementation Contact(s):

Your Contracting Officer's Technical Representative (COTR) or Contractor Manager, as applicable.

VI. FUNDING

Section A: For *Fiscal Intermediaries (FIs), Regional Home Health Intermediaries (RHHIs)*:

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

Section B: *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:

Attachment A – Primary Care Incentive Payment Program Eligibility for New Providers Enrolled in Medicare File Layout.

Attachment B – Primary Care Incentive Payment Program Inquiry for New Providers Enrolled in Medicare File Layout.

Medicare Claims Processing Manual
Chapter 12 - Physicians/Nonphysician Practitioners

Table of Contents
(Rev.2152, Issued: 02-11-11)

230 - Primary Care Incentive Payment Program (PCIP)

(Rev.2152, Issued: 02-11-11, Effective: 07-01-11, Implementation: 07-05-11)

Section 5501(a) of the Affordable Care Act revises *section* 1833 of the Social Security Act (the Act) by adding a new paragraph, (x), "Incentive Payments for Primary Care Services." Section 1833(x) of the Act states that in the case of primary care services furnished on or after January 1, 2011, and before January 1, 2016, there shall be a 10 percent incentive payment for such services under Part B when furnished by a primary care practitioner.

Information regarding Primary Care Incentive Payment Program (PCIP) payments made to critical access hospitals (CAHs) paid under the optional method can be found in Pub. 100-04, Chapter 4, §250.12 of this manual.

230.1 - Definition of Primary Care Practitioners and Primary Care Services

(Rev. 2152, Issued: 02-11-11, Effective: 07-01-11, Implementation: 07-05-11)

Primary care *practitioner is defined as:*

1. A physician who has a primary specialty designation of family medicine, internal medicine, geriatric medicine, or pediatric medicine for whom primary care services accounted for at least 60 percent of the allowed charges under *the PFS (excluding hospital inpatient care and emergency department visits)* for the practitioner in a prior period as determined appropriate by the Secretary; or

2. A nurse practitioner, clinical nurse specialist, or physician assistant for whom primary care services accounted for at least 60 percent of the allowed charges under *the PFS (excluding hospital inpatient care and emergency department visits)* for the practitioner in a prior period as determined appropriate by the Secretary.

Primary care services are defined as HCPCS Codes:

1. 99201 through 99215 for new and established patient office or outpatient evaluation and management (E/M) visits;

2. 99304 through 99340 for initial, subsequent, discharge, and other nursing facility E/M services; new and established patient domiciliary, rest home or custodial care E/M services; and domiciliary, rest home or home care plan oversight services; and

3. 99341 through 99350 for new and established patient home E/M visits.

Practitioner Identification

Primary care practitioners will be identified *using* the National Provider Identifier (NPI) number of the rendering practitione*r on claims.* If the claim is submitted by a practitioner's group practice, the rendering practitioner's NPI must be included on the line-item for the primary care service and reflect an eligible HCPCS as identified. In order to be eligible for the PCIP, physician assistants, clinical nurse specialists, and nurse practitioners must be billing for their services under their own NPI and not furnishing services incident to physicians' services. Regardless of the specialty area in which they may be practicing, the specific nonphysician practitioners are eligible for the PCIP based on their profession and historical percentage of allowed charges as primary care services that equals or exceeds the 60 percent threshold.

The claims data used for the primary care percentage calculations depend on the potential primary care practitioner's date of enrollment in Medicare. We will use Medicare claims data 2 years prior to the PCIP payment year to determine PCIP eligibility for those potential primary care practitioners who were enrolled in Medicare in that year. For example, for CY 2011, we will use Medicare claims data from CY 2009 for practitioners who were already enrolled in Medicare in CY 2009. We will use claims data from the year immediately preceding the PCIP payment year in order to determine PCIP eligibility for potential primary care practitioners who newly enroll in Medicare in the year immediately preceding the PCIP payment year. For example, for CY 2011, we will use the available Medicare claims data from CY 2010 only for potential primary care practitioners who newly enrolled in Medicare in CY 2010.

Eligible practitioners for PCIP payments in a given calendar year *who were enrolled in Medicare 2 years earlier will be listed by eligible NPI in the Primary Care Incentive Payment Program Eligibility File, available after January 31 of the PCIP payment year on their Medicare contractor's website. Eligible practitioners for PCIP payments in a given calendar year who were newly enrolled in Medicare in the year immediate preceding the PCIP payment year will be identified in the PCIP Payment for New Providers Enrolled in Medicare File, available after October 1 of the PCIP payment year.* Practitioners should contact their contractor with any questions regarding their eligibility for the PCIP.

230.2 - Coordination with Other Payments

(Rev. 2152, Issued: 02-11-11, Effective: 07-01-11, Implementation: 07-05-11)

Section 5501(a)(3) of the Affordable Care Act *authorizes* payment under the PCIP as an additional payment amount for specified primary care services without regard to any additional payment for the service under Section 1833(m) of the Act. Therefore, an eligible primary care physician furnishing a primary care service in a health professional shortage area (HPSA) may receive both a HPSA physician bonus payment (as described in the Medicare Claims Processing

Manual, Pub. 100-04, Chapter 12, §90.4) under the HPSA physician bonus program and a PCIP incentive payment under the new program beginning in CY 2011.

230.3 - Claims Processing and Payment

(Rev. *2152, Issued: 02-11-11, Effective: 07-01-11, Implementation: 07-05-11*)

A. General Overview

Incentive payments will be made on a quarterly basis and shall be equal to 10 percent of the amount paid for such services under the Medicare Physician Fee Schedule (PFS) for those services furnished during the *incentive payment year. PCIP payments for newly enrolled practitioners will be delayed due to the lag in their eligibility determination. Newly enrolled primary care practitioners will receive a single cumulative PCIP payment, retroactive for primary care services furnished from the beginning of the PCIP payment year, following the fourth quarter of the PCIP payment year after the primary care practitioner is deemed eligible. Quarterly payments will be made for subsequent incentive payments.*

For information on PCIP payments to CAHs paid under the optional method, see the Medicare Claims Processing Manual, Pub. 100-04, Chapter 4, §250.12.

On an annual basis Medicare contractors shall receive a Primary Care Incentive Payment Program Eligibility File *and PCIP Payment for New Providers Enrolled in Medicare File* that they shall post to their *websites*. The files will list the NPIs of all practitioners who are eligible to receive PCIP payments for the PCIP payment year.

B. Method of Payment

- Calculate and pay qualifying primary care practitioners an additional 10 percent incentive payment.

- Calculate the payment based on the amount actually paid for the services, not the Medicare approved *amount.*

- Combine the PCIP incentive payments, when appropriate, with other incentive payments, including the HPSA physician bonus payment, and the HPSA Surgical Incentive Payment Program (HSIP) payment;

- Provide a special remittance form that is forwarded with the incentive payment so that physicians and practitioners can identify which type of incentive payment (HPSA physician and/or PCIP) was paid for which services.

- Practitioners should contact their contractor with any questions regarding PCIP payments.

C. Changes for Contractor Systems

The Medicare Carrier System, (MCS), Common Working File (CWF) and the National Claims History (NCH) shall be modified to accept a new PCIP indicator on the claim line. Once the type of incentive payment has been identified by the shared systems, the shared system shall modify their systems to set the indicator on the claim line as follows:

1 = HPSA;
2 = PSA;
3 = HPSA and PSA;
4 = HSIP;
5 = HPSA and HSIP;
6 = PCIP;
7 = HPSA and PCIP; and
Space = Not Applicable.

The contractor shared system shall send the HIGLAS 810 invoice for incentive payment invoices, including the new PCIP payment. The contractor shall also combine the provider's HPSA physician bonus, physician scarcity (PSA) bonus (if it should become available at a later date), HSIP payment and/or PCIP payment invoice per provider. The contractor shall receive the HIGLAS 835 payment file from HIGLAS showing a single incentive payment per provider.

Attachment A:

PCIP Payment for New Providers Enrolled in Medicare File
Record Layout

FIELD NAME	START/END POSITION	PIC	COMMENT
Filler	1-6	X(6)	Value spaces (in the future, this field may contain the fiscal intermediary/MAC number).
NPI	7-16	X(10)	Left justified. NPI of the physician or nonphysician practitioner on whose behalf the primary care incentive payment will be made to the CAH.
Filler	17-17	X(1)	Value spaces
Incentive Payment Year	18-21	X(4)	CCYY (quarterly Primary Care Incentive payments are made using claims data from this year).
Filler	22-22	X(1)	Value spaces
Qualifying Year	23-26	X(4)	CCYY (claims history data from this year was used to determine if the NPI qualified for the Primary Care Incentive).
Filler	27-46	X(20)	Value spaces

(7/16/2010)

Attachment B: CR

PCIP Inquiry for New Providers Enrolled in Medicare File
Record Layout

FIELD NAME	START/END POSITION	PIC	COMMENT
HEADER RECORD			
Header Indicator	1-4	X(4)	Value "HEAD"
Filler	5-6	X(2)	Value spaces
Incentive Payment Year	7-10	X(4)	CCYY (value denotes the four character payment year for the incentive).
Filler	11-155	X(145)	Value spaces
DATA RECORD			
Filler	1-6	X(6)	Value spaces (in the future, this field may contain the carrier/MAC number).
NPI	7-16	X(10)	NPI of the provider who will be paid the primary care incentive.
Filler	17-17	X(1)	Value spaces
Incentive Payment Year	18-21	X(4)	CCYY (quarterly Primary Care Incentive payments are made using claims data from this year).
Filler	22-22	X(1)	Value spaces
Qualifying Year	23-26	X(4)	CCYY (claims history data from this year was used to determine if the NPI qualified for the Primary Care Incentive).
Filler	27-30	X(4)	Value spaces
Provider Specialty Code	31-32	X(2)	Self Selected Designation
Filler	33-36	X(4)	Value Spaces
Percentage of Primary Care Services	37-39	9(3)	Right justified. Must be 60% for qualification (whole number range from 000% to 100%).
Filler	40-43	X(4)	Value Spaces
Total Primary Care Allowed Charges	44-53	9(8)v99	Right justified.
Filler	54-61	X(8)	Value Spaces
Total of All Allowed Charges	62-71	9(8)v99	Right justified.
Filler	72-155	X(84)	Value Spaces