

CMS Manual System

Pub 100-04 Medicare Claims Processing

Transmittal 807

Department of Health & Human Services (DHHS)

Center for Medicare & Medicaid Services (CMS)

Date: JANUARY 6, 2006

Change Request 4182

SUBJECT: Revision to IOM 100-4, Chapter 12, Sections 90.4.1.1 and 90.4.2

I. SUMMARY OF CHANGES: This change request (CR) will revise language in Chapter 12, Sections 90.4.1.1 and 90.4.2. This CR will also instruct carriers and providers to visit the Health Professional Shortage Areas (HPSAs) and Physician Scarcity Areas (PSAs) specialty page on the CMS website for instructions on determining a census tract when self-designating through the use of the "AQ" modifier.

NEW/REVISED MATERIAL

EFFECTIVE DATE: *January 1, 2006

IMPLEMENTATION DATE: February 6, 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	12/90.4.1.1/Carrier Web Pages
R	12/90.4.2/HPSA Designations

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.*

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	
4182.2	A provider education article related to this instruction will be available at www.cms.hhs.gov/medlearn/matters shortly after the CR is released. You will receive notification of the article release via the established "medlearn 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. Contractors are free to supplement Medlearn Matters articles with localized information that would benefit their provider community in billing and administering the Medicare program correctly.			X						

IV. SUPPORTING INFORMATION AND POSSIBLE DESIGN CONSIDERATIONS

A. Other Instructions: N/A

X-Ref Requirement #	Instructions

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

Effective Date*: January 1, 2006 Implementation Date: February 6, 2006 Pre-Implementation Contact(s): Bridgitté Davis (410) 786-4573 Post-Implementation Contact(s): Appropriate Regional Office	No additional funding will be provided by CMS; contractor activities are to be carried out within their FY 2006 operating budgets.
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90.4.1.1 – Carrier Web Pages

(Rev.807, Issued: 01-06-06, Effective: 01-01-06, Implementation: 02-06-06)

Carriers shall create a Web page in their existing Web site infrastructure dedicated to HPSA designations and have it operational by October 1, 2004. *In subsequent years after receipt of the zip code file, carriers shall update their web sites to* include all currently designated primary care and mental health HPSA areas. CMS shall provide carriers with the quarterly listings of HPSA designations for primary care and mental health HPSAs to update their Web sites with newly designated and withdrawn areas. By 2 weeks after receipt of the quarterly listing, carriers shall update their dedicated HPSA Web page with current HPSA designations based on the quarterly report.

90.4.2 - HPSA Designations

(Rev.807, Issued: 01-06-06, Effective: 01-01-06, Implementation: 02-06-06)

HPSA designations are made by the Division of Shortage Designation (DSD) of the Public Health Service (PHS). Prior to January 1, 2005, upon receipt from DSD, CMS sends carriers individual notices of HPSA status changes (initial classification of HPSA areas or deletion of existing ones). Carriers must effectuate these changes as of the first day of the second month after carriers receive them. For example, any notice carriers receive during August is effective for physician services provided on or after October 1. Before effectuating these changes, carriers must ready the system for acceptance of the change and notify all physicians providing services in the impacted area who may be eligible for the incentive payment. Each quarter, CMS also provides carriers with an updated DSD comprehensive listing of all HPSAs in their jurisdiction. Carriers use this listing as a control to assure that all changes are accounted for and effectuated.

Although some HPSAs span entire counties (or other territorial subdivisions within a State), typically, they represent only sections of counties. For partial-county HPSAs, carriers prepare and distribute to physicians local maps which clearly delineate the HPSA areas. Carriers must notify physicians about HPSA areas by:

Publishing a list of HPSAs and allowing physicians to call carriers if they need assistance in determining whether their practice locale falls within the boundaries of a HPSA; and

Issuing maps of partial-county HPSAs that make it easier for physicians to determine if they provide services within designated HPSA areas.

Beginning with 2005, an automated file of designations 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 beginning January 1, 2005, through December 31, 2005.

Physicians will be allowed to self-designate throughout the year for newly designated HPSAs and HPSAs not included in the automated file based on the date of the data run used to create the file. The bonus will be effective for services rendered on or after the date of designation by HRSA. Designation letters and quarterly reports from HRSA will continue to be forwarded from the CMS Central Office to the Regional Offices to send to carriers. Carriers must continue to use them to update their lists of eligible HPSA areas as well as any other HRSA designation letters that may be provided to them by physicians.

The carriers and standard systems will be provided with a file at the appropriate time prior to the beginning of the calendar year for which it is effective. This file will contain zip codes that fully fall within a HPSA bonus area for both mental health and primary care services. After the implementation of this new process effective January 1, 2005, a recurring update notification will be issued for each annual update. Carriers will be informed of the availability of the file and the file name via an email notice.

Carriers 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 only be paid when performed by the provider specialty of 26 – psychiatry.

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; are partially within a partial county HPSA; or are designated after the annual update is made to the automated file, physicians must still submit a **AQ** modifier to receive payment.

To determine whether a modifier is needed, physicians must review the information provided on the CMS 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 carrier and should verify the eligibility of their area for a bonus with their carrier 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 website at www.Census.gov or the *Federal Financial Institutions Examination Council (FFIEC) website 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 carriers can provide information on the functionality of these websites.