



**News Flash - National Provider Identifier (NPI) News Flash** – During this testing and implementation phase for the NPI, providers should pay close attention to information from health plans and clearinghouses to understand how claims are being processed and what providers should be doing to assure no disruption in payment. Providers should also ensure that the information they are submitting on a claim is what is being transmitted to each health plan by the billing vendors or clearinghouses who may be submitting the claims on their behalf. Additional information is at <http://www.cms.hhs.gov/NationalProviderStand/> on the CMS website.

MLN Matters Number: MM5711

Related Change Request (CR) #: 5711

Related CR Release Date: August 24, 2007

Effective Date: January 1, 2008

Related CR Transmittal #: R1321CP

Implementation Date: January 7, 2008

## Sunset of the Physician Scarcity Area (PSA) Bonus Payment

### Provider Types Affected

Providers billing a Medicare Carrier, fiscal intermediary (FI), or Medicare Administrative Contractor (A/B MAC) for services provided to Medicare beneficiaries in physician scarcity areas

### Provider Action Needed



#### **STOP – Impact to You**

This article is based on Change Request (CR) 5711 that reminds physicians that the PSA bonus under Section 413(a) of the Medicare Modernization Act (MMA) will sunset after December 31, 2007.

#### Disclaimer

This article was prepared as a service to the public and is not intended to grant rights or impose obligations. This article may contain references or links to statutes, regulations, or other policy materials. The information provided is only intended to be a general summary. It is not intended to take the place of either the written law or regulations. We encourage readers to review the specific statutes, regulations and other interpretive materials for a full and accurate statement of their contents. CPT only copyright 2007 American Medical Association.

**CAUTION – What You Need to Know**

The PSA bonus is payable for dates of service January 1, 2005 through December 31, 2007. The PSA bonus is **not payable for dates of service after December 31, 2007.**

**GO – What You Need to Do**

Make certain that your billing staffs are aware of these changes as listed in the Background section below and in the revisions to the *Medicare Claims Processing Manual* Chapter 4, Sections 250.2.1, 250.2.2 and 250.3.2. The revised manual sections are attached to the official instruction in CR5711. The Web address for accessing CR5711 is in the *Additional Information* section of this article.

## Background

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Section 413(a) of the Medicare Modernization Act (MMA) requires Medicare to pay an additional 5 percent bonus to physicians rendering service in a designated PSA. Physician scarcity designations are based on the lowest primary care and specialty care ratios of Medicare beneficiaries to active physicians in every county or the lowest primary care and specialty care ratios of Medicare beneficiaries to active physicians in each identified rural census tract. The bonus payment is based on the amount actually paid, not the amount Medicare approved for each service. **The Key Point of CR5711 is that** the PSA termination date is December 31, 2007, and is not payable for dates of service after that date.

## Additional Information

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For complete details regarding this issue, see the official instruction (CR5711) issued to your Medicare Carrier, FI, or A/B MAC. That instruction may be viewed by going to <http://www.cms.hhs.gov/Transmittals/downloads/R1321CP.pdf> on the CMS website.

For the CMS website with information about HPSA/PSA (Physician Bonuses) and zip code downloadable files you may visit <http://www.cms.hhs.gov/HPSAPSAPhysicianBonuses/> on the CMS website.

If you have questions, please contact your Medicare Carrier, FI, or A/B MAC at their toll-free number, which may be found at <http://www.cms.hhs.gov/MLNProducts/downloads/CallCenterTollNumDirectory.zip> on the CMS website.

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