
CMS Manual System

Pub. 100-04 Medicare Claims Processing

Department of Health &
Human Services (DHHS)
Centers for Medicare &
Medicaid Services (CMS)

Transmittal 218

Date: JUNE 25, 2004

CHANGE REQUEST 3317

I. SUMMARY OF CHANGES: This CR fully replaces CR 3215, Implementation of the Analysis and Design Phases of the Revision to the Health Professional Shortage Area (HPSA) Bonus Payment.

Due to the large number of hours that will be required for MCS to implement this CR, the action described in this CR will be completed over two releases for the MCS shared system and associated carriers. This CR implements the implementation and design phases of the CR for the October release. A separate CR will be released to implement the coding, testing, and implementation phases with the January release for MCS. A separate CR will also be released instructing VIPS to implement the revision to the HPSA bonus payment for the January release.

Enactment of section 413(b) of the Medicare Prescription Drug, Improvement and Modernization Act of 2003 (MMA) requires CMS to revise some of the policy for the current Health Professional Shortage Area (HPSA) bonus payment. Section 413(b) of the MMA requires that for zip codes that fully fall into areas designated as a HPSA, the HPSA bonus payment be automatically paid for services rendered in locations with those zip codes. In addition, CMS will also automatically pay a bonus for those zip codes that are considered to fully fall in the county based on a determination of dominance made by the United States Postal Service (USPS) and for those zip codes that fully fall within partial county HPSAs. Physicians would no longer have to include the QB or QU modifier on those claims in order to receive their bonus.

For those zip codes that do not fully fall within a full county HPSA or fully within a partial county HPSA, the physicians must continue to enter either the QB or QU modifier on the claim in order to receive the bonus. In addition, they will need to submit the modifier for new designations made by the Health Resources and Services Administration throughout the year. They will also need to submit the modifier for any designated areas not included in the automated file due to the cut off date of the data used. This will only be necessary if the zip code of where they provide their service is not already on the list of zip codes that will automatically receive the bonus payment. Designations can be identified by accessing the HPSA designations on the CMS website. The bonus will be effective for services rendered on or after the date of designation by HRSA.

NEW/REVISED MATERIAL - EFFECTIVE DATE: January 1, 2005

***IMPLEMENTATION DATE: October 4, 2004**

Disclaimer for manual changes only: The revision date and transmittal number apply to the red italicized material only. 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: (R = REVISED, N = NEW, D = DELETED) –

R/N/D	CHAPTER/SECTION/SUBSECTION/TITLE
R	12/Table of Contents
R	12/90.4/Billing and Payment in a Health Professional Shortage Area (HPSAs)
R	12/90.4.1/Provider Education
R	12/90.4.2/HPSA Designations
R	12/90.4.3/Claims Coding Requirements
R	12/90.4.5/Services Eligible for HPSA and Physician Scarcity Bonus Payments
R	12/90.4.6/Remittance Messages
R	12/90.4.7/Post-payment Review
N	12/90.4.10/Administrative and Judicial Review

***III. FUNDING:**

These instructions shall be implemented within your current operating budget.

IV. ATTACHMENTS:

	Business Requirements
X	Manual Instruction
	Confidential Requirements
	One-Time Notification
	Recurring Update Notification

***Medicare contractors only**