



News Flash - If you are a Medicare Fee-For-Service (FFS) physician, provider, or supplier submitting claims to Medicare for payment, this is very important information you need to know. Effective immediately, any Medicare Fee-For-Service claim with a date of service on or after January 1, 2010, must be received by your Medicare contractor no later than one Calendar Year (12 months) from the claim's date of service – or Medicare will deny the claim. For additional information, see Medicare Learning Network (MLN) Matters® Articles MM6960 at <http://www.cms.gov/MLNMattersArticles/downloads/MM6960.pdf> and MM7080 at <http://www.cms.gov/MLNMattersArticles/downloads/MM7080.pdf> on the Centers for Medicare & Medicaid Services (CMS) website. You can also listen to a podcast on this subject by visiting http://www.cms.gov/CMSFeeds/02_listofpodcasts.asp on the same site.

MLN Matters Number: MM7267 **Revised**

Related Change Request (CR) #: 7267

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Implementation Date: July 5, 2011

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

Note: This article was revised on May 10, 2011, to add a reference to SE1109 (<http://www.cms.gov/MLNMattersArticles/downloads/SE1109.pdf>) for further information about Medicare's Primary Care Incentive Program.

Provider Types Affected

Newly enrolled physicians and certain nonphysician practitioners who bill Medicare Carriers or Medicare Administrative Contractors (A/B MACs) for providing primary care services to Medicare beneficiaries are affected by this change.

Provider Action Needed

Change Request (CR) 7267, from which this article is taken, announces that (effective July 1, 2011) the Primary Care Incentive Payment Program (PCIP) is amended to include the participation of certain newly enrolled Medicare primary care physicians and nonphysician practitioners who do not have a prior two-year claims history with which to determine eligibility.

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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.

You should make sure that your billing staffs are aware of this change in PCIP eligibility.

Background

Section 5501(a) of the Affordable Care Act revised Section 1833 of the Social Security Act (the Act) by adding a new paragraph (x), entitled "Incentive Payments for Primary Care Services." This new paragraph 1833(x) states that primary care providers who provide primary care services (on or after January 1, 2011, and before January 1, 2016) will be paid, quarterly, an amount equal to 10 percent of the payment amount for such services paid under the Physician Fee Schedule (PFS).

Eligibility of New Providers for Payment under PCIP

For primary care services furnished on or after January 1, 2011, and before January 1, 2016, Medicare-enrolled primary care practitioners are eligible for a 10 percent PCIP payment for the primary care services they furnish if they:

- Have a primary specialty designation of 08 (family practice), 11 (internal medicine), 37 (pediatrics), 38 (geriatrics), 50 (nurse practitioner), 89 (certified clinical nurse specialist), or 97 (physician assistant);
- Provided the following eligible primary services:
 - Evaluation and management (E/M) codes 99201 through 99215 for new and established patient E/M office or outpatient visits;
 - E/M codes 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; or
 - E/M codes 99341 through 99350 for new and established patient home E/M visits; and
 - Provided PCIP eligible primary care services that account for at least 60 percent of the allowed charges under Part B (excluding hospital inpatient care and emergency department visits) for such practitioners during the time period that has been specified by the Secretary.

Claims Data Used to determine Eligibility

If you are newly enrolled in Medicare (with no claims data from 2 years prior to the PCIP payment year), your PCIP eligibility will be determined using the prior year's available claims data with no minimum time period in which you must have been enrolled in Medicare. For example, for CY 2011, if you were newly enrolled in Medicare in CY 2010, Medicare will use your available claims data from CY 2010 to determine PCIP eligibility. Therefore, as a newly enrolled eligible primary care

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practitioner, you would need to wait no more than one year following your enrollment and first billing in order for primary care services you furnish to be subject to the PCIP in the year following your initial enrollment.

Timing for PCIP Payments

However due to the lag time required to process claims data, PCIP eligibility determinations for newly enrolled primary care practitioners will be delayed until after the end of the third quarter of the PCIP payment year. PCIP payments will ultimately be made for all primary care services the eligible practitioners furnished throughout the full PCIP payment year, but the timing of eligibility determination will result in a single cumulative PCIP payment for newly enrolled primary care practitioners based on eligible services rendered from January 1 through December 31 of the payment year that will be made following the fourth quarter of the incentive payment year.

Subsequent payments will be made quarterly based on each quarter's eligible claims as long as you remain eligible. **You are not guaranteed eligibility for PCIP payment in subsequent years, as you will need to newly qualify for each PCIP payment year.**

PCIP Payment Calculations for Newly Enrolled Providers

By November 28 of the PCIP payment year, carriers and A/B MACs will post the "PCIP Payment for New Providers Enrolled in Medicare File" on their websites.

The PCIP Payment is calculated as follows:

- For each qualifying NPI on the "PCIP Payment for New Providers Enrolled in Medicare File," contractors will accumulate the total paid amount (or review paid claims history) for codes Current Procedural Terminology (CPT) codes 99201 through 99215, and 99304 through 99350 for all four quarters of the payment year.
- For each payment, the contractors will calculate a payment equal to 10 percent of the **amount paid** for each of these codes.

Note: If a physician or group practice submits a claim for a primary care service, it must be reported under a practitioner with a qualifying NPI in order for the service to qualify for the incentive payment;

Participation in the Health Professional Shortage Area (HPSA) and PCIP Programs

Beginning in CY 2011, an eligible primary care physician furnishing a primary care service in a HPSA may receive **both** a HPSA physician bonus payment and the PCIP payment. The PCIP incentive payment is based on the amount paid, and not the Medicare approved amount. You will receive a special remittance form with the

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incentive payment so that you will be able identify which type of incentive payment (HPSA physician and/or PCIP) was paid for each program.

Additional Information

For further details, please see the official instruction (CR 7267) issued to your Medicare contractor at <http://www.cms.gov/Transmittals/downloads/R2152CP.pdf> on the CMS website. You will find the revised Medicare Claims Processing Manual, Chapter 12 (Physicians/Nonphysician Practitioners), Sections 230 (Primary Care Incentive Payment Program (PCIP)), 230.1 (Definition of Primary Care Practitioners and Primary Care Services), 230.2 (Coordination with Other Payments), and 230.3 (Claims Processing and Payment) as an attachment

Please refer to the Medicare Claims Processing Manual, Chapter 12 (Physicians/Nonphysician Practitioners), Section 90.4.4 (Payment) for details about HPSA physician bonus program and a PCIP incentive payment under this new PCIP program

If you have questions, please contact your Medicare carrier, FI, Part A/B Medicare Administrative Contractors (A/B MAC), durable medical equipment regional carrier (DMERC), DME/MAC, and/or regional home health intermediary (RHHI), 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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