
CMS Manual System

Pub. 100-20 One-Time Notification

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

Transmittal 28

Date: DECEMBER 10, 2003

CHANGE REQUEST 3009

I. SUMMARY OF CHANGES: With the enactment of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003, this one time notification announces to contractors the new increase for the 2004 Medicare Physician Fee Schedule and the extension of the participation enrollment period. **(This instruction is to be treated as confidential until the Final Rule is published. We expect the final rule to be published in Mid-December.)**

NEW/REVISED MATERIAL - EFFECTIVE DATE: January 1, 2004

***IMPLEMENTATION DATE: December 10, 2003**

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.

II. CHANGES IN MANUAL INSTRUCTIONS:

R/N/D	CHAPTER/SECTION/SUBSECTION/TITLE
N/A	

*III. FUNDING:

These instructions should be implemented within your current operating budget.

IV. ATTACHMENTS:

	Business Requirements
	Manual Instruction
	Confidential Requirements
X	One-Time Notification

*Medicare contractors only

One-Time Notification

Pub. 100-20	Transmittal: 28	Date: December 10, 2003	Change Request 3009
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SUBJECT: 2004 Medicare Physician Fee Schedule Increase and Extension of the Annual Participation Enrollment Period

INFORMATION IN THIS INSTRUCTION MUST BE KEPT CONFIDENTIAL UNTIL THE FINAL RULE IS PUBLISHED WHICH WE EXPECT TO HAPPEN IN MID-DECEMBER.

I. GENERAL INFORMATION

NOTE: Medicare contractors must keep this instruction confidential until the final regulation is published in mid-December. CMS will notify Medicare contractors via an email note when the final regulation is published.

A. Background: The enactment of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003, allows for a 1.5 percent increase in the 2004 conversion factor to be effective January 1, 2004. The new act also changes the geographic practice costs indices (GPCIs) for some areas and requires Medicare to make revisions to relative value units for drug administration and other services. On average, Medicare Physician Fee Schedule (MPFS) rates will increase approximately 1.5 percent. However, because there are changes to relative value units and GPCIs, the increase for any specific service in a particular area may be more or less than 1.5 percent.

Since there is a change to the 2004 MPFS rates, CMS is extending the participation enrollment period. The enrollment period will continue beyond December 31, 2003, and end on February 17, 2004. Therefore, the 2004 participation enrollment period runs from November 14, 2003, through February 17, 2004. The effective date for any participation change is January 1, 2004.

B. Policy: The purpose of this instruction is to announce the change to MPFS rates to Medicare contractors and the extension of the 2004 participation enrollment period. CMS will issue new MPFS files via the CMS mainframe shortly. Contractors will be informed of the availability of the files and the file names via an email notice. The new fees are effective January 1, 2004. After the final rule is published, contractors are to do provider education announcing the 2004 increase. In addition, carriers are to do provider education announcing the extension of the participation enrollment period.

Carriers should follow the guidelines below regarding participation agreements received after December 31, 2003, but post-marked by February 17, 2004.

- Although the participation enrollment period will run through February 17, 2004, the participation agreement is effective January 1, 2004. Physicians and practitioners who submit their 2004 participation election or withdrawal forms

after December 31, 2003, must begin to bill in accordance with their decision once it is submitted to you. Enrollments and withdrawals for 2004 that are received after December 31, 2003, and post-marked by February 17, 2004, should be recorded within your system as soon as possible to ensure accurate processing of claims for 2004 services. Until such time as a timely filed 2004 participation election or withdrawal is received, use the provider's 2003 participation status for processing 2004 claims.

- Claims for dates of service on or after January 1, 2004, that are processed prior to your receipt of a participation election or withdrawal for 2004 should not be routinely reopened/reprocessed. However, if a physician requests to reopen previously processed claims for dates of service on or after January 1, 2004, due to the impact of the extended enrollment period, make accommodations for reopening such claims. Moreover, as of, February 17, 2004, the participation status will be irrevocable for calendar year 2004 services.

C. Provider Education: NO PROVIDER EDUCATION CAN BE DONE AND THE NEW FEES MUST NOT BE PUT ON WEB SITES, UNTIL THE FINAL RULE IS PUBLISHED WHICH WE EXPECT TO HAPPEN IN MID-DECEMBER. CMS WILL NOTIFY MEDICARE CONTRACTORS VIA EMAIL WHEN THE FINAL RULE IS PUBLISHED. AFTER THE RULE IS

PUBLISHED, intermediaries and carriers shall inform affected providers by posting either a summary or relevant portions of this document on their Web site as soon as possible but no longer than 1 week after receiving notification from CMS that the final rule has been published. After the final rule is published, carriers shall publish the new physician fee schedule fees on their Web sites. Also, intermediaries and carriers shall publish information informing providers of an increase for services paid under the MPFS in their next regularly scheduled bulletin after the final rule is published. If you have a listserv that targets affected providers, you shall use it, after the final rule is published, to notify subscribers that information about the increase in the 2004 MPFS and the extended participation enrollment period is available on your Web site.

II. BUSINESS REQUIREMENTS

"Shall" denotes a mandatory requirement

"Should" denotes an optional requirement

Requirement #	Requirements	Responsibility
3009.1	Medicare contractors shall download the new 2004 MPFS files and the anesthesia file. The file names will be provided to you via an email note from CMS. The new 2004 MPFS and anesthesia file is effective for dates of service on or after January 1, 2004.	Carriers/FIs

3009.2	After the final rule is published, all carriers, including those participating in the CD-ROM pilot, shall post the new Medicare physician fee schedule fees on their Web site.	Carriers
3009.3	After the final rule is published, carriers shall educate physicians/practitioners that the new fees are posted on the carrier Web site. Carriers should also educate physicians and practitioners that the MPFS can be printed from the carrier's Web site.	Carriers
3009.4	After the final rule is published, carriers shall educate physicians/practitioners via the Web and the Automatic Response Units (ARUs) / Interactive Voice Response Units (IVRs) that the participation enrollment period has been extended to February 17, 2004. Any participation enrollment changes made during the period of November 14 through February 17, 2004, will be effective January 1, 2004. (Carriers can remove the message from the their ARU/IVR after February 20, 2004.)	Carriers
3009.5	Carriers shall inform their customer service representatives (CSRs) about the increase in the 2004 MPFS and the extension of the participation enrollment period. CSRs need to be prepared to answer questions/inquiries from physicians and practitioners.	Carriers
3009.6	Carriers shall report the data for the enrollment period ending February 17, 2004 to CMS by April 2, 2004 (45 days after the close of the enrollment period).	Carriers
3009.7	Carriers shall report the participation data to the Railroad Retirement Board (RRB) carrier using your normal process.	Carriers
3009.8	Carriers shall load their local MEDPARD to their Web sites by April 2, 2004 (45 days after the close of the enrollment period).	Carriers

3009.9	Carriers shall have hard copies of the new 2004 MPFS to mail to physicians/practitioners that request them. Carriers can charge a reasonable fee for provision of the hardcopy MPFS. Requests from physicians and non-physician practitioners for hardcopies of the new 2004 MPFS are to be handled as customer service matters and not a Freedom of Information Act (FOIA) request.	Carriers
3009.10	Carriers are not to apply FOIA rules (45 C.F.R. Part 5) including FOIA fee requirements in processing requests from the physician community for hard copies of the new 2004 MPFS.	Carriers
3009.11	Carriers are to continue to process physician/non-physician practitioner requests for all other MPFS (except 2003 and 2004 MPFS) as FOIA requests under FOIA rules.	Carriers
3009.12	Requests from all other members of the public for any MPFS should continue to be processed as FOIA requests.	Carriers
3009.13	After the final rule is published, FIs shall prepare an article to be published on their Web site and in their next regularly scheduled bulletin announcing the new legislative change enacted by Congress that increased the payment for services paid under the 2004 MPFS. The 2004 MPFS is effective for dates of service on or after January 1, 2004.	FIs

III. SUPPORTING INFORMATION & 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: These instructions are dependent upon the publication of the Final Rule.

F. Testing Considerations: N/A

IV. SCHEDULE, CONTACTS, AND FUNDING

<p>Effective Date: January 1, 2004</p> <p>Implementation Date: December 10, 2003</p> <p>Pre-Implementation Contact(s): Patricia Gill (for carrier issues), 410 786-1297 or pgill@cms.hhs.gov Linda Gregory (for intermediary issues), 410-786-6138 or lgregory@cms.hhs.gov</p> <p>Post-Implementation Contact(s): Appropriate regional office</p>	<p>These instructions should be implemented within your current operating budget.</p>
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