Program Memorandum Carriers

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

Transmittal B-02-072 **Date: OCTOBER 25, 2002**

CHANGE REQUEST 2380

CONFIDENTIAL

SUBJECT: Calendar Year (CY) 2003 Participation Enrollment and Medicare Participating Physicians and Suppliers Directory (MEDPARD) Procedures

The annual participation enrollment program for calendar year 2003 will commence on November 15, 2002, and will run through December 31, 2002.

The purpose of this Program Memorandum (PM) is to furnish you with material needed for this year's participation enrollment effort. The following documents are attached:

- A Participation Announcement;
- A Blank Participation Agreement; and
- A Year 2003 Fact Sheet.

The information contained in the 2003 Fact Sheet is to be treated as confidential. The Fact Sheet is subject to change during the regulation clearance process. We will notify the regional offices if any information in the Fact Sheet changes during the clearance process. Participation enrollment/fee disclosure packages should be mailed in time for physicians to receive the material by November 15, but it should not be mailed before November 10.

Reproduce these attachments for your participation enrollment/fee disclosure packages. (See Medicare Carriers Manual (MCM) §17001.1 for fee disclosure guidelines.) For CY 2003 disclosure reports, display fee data as follows:

- Procedure code (including professional and technical component modifiers, as applicable);
- Par amount (non-facility);
- Par amount (facility-based);
- Non-par amount (non-facility);
- Limiting charge (non-facility);
- Non-par amount (facility-based); and
- Limiting charge (facility-based).

For CY 2003 disclosure reports, also provide the anesthesia conversion factors.

Annotate the envelope containing the fee disclosure material with the following message "Open Immediately. Package Contains 2003 Medicare Payment Information from the Centers for Medicare & Medicaid Services." Mail participation enrollment/fee disclosure packages via first class or equivalent delivery service, and schedule the release of this material so that providers receive it no later than November 15, 2002 but do not mail it before November 10, 2002.

Physicians and suppliers enrolled in the Medicare program under the Form CMS-855 process who choose not to accept assignment for every covered service they furnish do not have to sign a "Medicare Participating Physician or Supplier Agreement" in order to bill Medicare and receive payment.

The Center for Medicare Management released the Medicare Physician Fee Schedule Database (MPFSDB) and the anesthesia conversion factors to carriers electronically on October 23, 2002.

The MPFSDB will contain the CY 2003 fee schedule amounts for procedure codes with status indicators of A, T, D, H, and R if Relative Value Units (RVUs) have been established by CMS.

The following two statements must be included on the fee disclosure reports:

> "All Current Procedural Terminology (CPT) codes and descriptors are copyrighted by the American Medical Association."
>
> "These amounts apply when service is performed in a facility setting." (This statement should be made applicable to those services subject to a differential based on place of service. It replaces any language referring to "site of service.")

In addition to sending disclosure reports in the participation enrollment package, you may, at your discretion, and within the constraints of your authorized budget, load the fees on your Internet Web site or electronic bulletin board if you have either. (Note: The fee should not be loaded on the Web site prior to the release of the hardcopy material). If you choose to use code descriptors on your Web site or electronic bulletin board you must use the short descriptors contained in the HCPCS file and the Physician Fee Schedule Database. If you find descriptor discrepancies between these two files, use the HCPCS file short descriptor. The CMS has signed an agreement with the American Medical Association regarding use of CPT on Medicare contractor Web sites, bulletin boards, and other electronic communications.

Furnishing Participation Physician/Supplier Information

Do not print hardcopy participation directories (i.e., MEDPARDs) for CY 2003 without regional office prior authorization and advance approved funding for this purpose. Supplemental budget requests (SBRs) for CY 2003 MEDPARD directories will not be approved. Load MEDPARD-equivalent information on your Internet Web site (if you have one). Notify providers via regularly scheduled newsletter as to the availability of this information and how to access it electronically. Also, inform hospitals and other organizations (e.g., Social Security offices, area Administration on Aging Offices, and other beneficiary advocacy organizations) how to access MEDPARD information on your Web site.

If Web site access is not available (the inquirer does not have Web site access capability), ascertain the nature and scope of each request and furnish the desired participation information via phone or letter.

Online Participating Physician Directory

As part of the ongoing effort to provide Medicare beneficiaries with information to help them make health care choices, CMS has a participating physician directory at www.medicare.gov, CMS's beneficiary Web site. The directory can be accessed from the home page under the section titled *Participating Physician Directory.* The directory contains names, addresses, and specialties of Medicare participating physicians who have agreed to accept assignment for all covered services.

The information in the database comes from the Unique Physician Identification Number (UPIN) Registry which was provided by you. Be aware that we have instructed physicians to contact you directly if their information appearing on the Web site is incorrect, has changed, or does not appear. The directory is updated monthly. Corrections or changes to the information will be reflected on the Web site, the month after you submit an update to the UPIN registry.

The effective date for this PM is upon receipt of this instruction.

The implementation date for this PM is November 15, 2002.

These instructions should be implemented within your current operating budget.

This PM may be discarded after November 15, 2003.

Contractors should direct questions to the appropriate regional office. Regional office staff can direct their questions on carrier operations to Melvia Page-Lasowski on (410) 786-4727 or William Stojak on (410) 786-6984 and payment policy to Joan Mitchell on (410) 786-4508.

3 Attachments

CMS
CENTERS for MEDICARE & MEDICAID SERVICES

Announcement
About Medicare Participation for Calendar Year 2003

Medicare remains a lifeline to millions of seniors and your commitment and participation in the Medicare program makes this lifeline possible. Unfortunately, under current law, the 2003 fee schedule currently scheduled for implementation on January 1, 2003, includes a negative update. This negative update reflects a defect in the formula generated by unanticipated changes in economic conditions. Regrettably, CMS does not have the legal authority to correct this flaw.

The Administration has worked with Congress throughout 2002 to correct this defect, which results in the reduction in physician payments. We, however, are optimistic that Congress will act before the end of the year. Despite these uncertainties, we hope that you will choose to participate in the Medicare program in 2003, and into the future. We remain committed to working with Congress to make the necessary technical corrections as soon as possible and we hope you will make your decision with this commitment in mind.

All physicians, practitioners and suppliers must make their calendar year (CY) 2003 Medicare participation decision by December 31, 2002.

To sign a participation agreement is to agree to accept assignment for all covered services that you provide to Medicare patients in CY 2003.

WHY PARTICIPATE?

If you bill for physicians' professional services, services and supplies (such as drugs and biologicals) provided incident to physicians' professional services, outpatient physical and occupational therapy services, diagnostic tests, and radiology services, your Medicare fee schedule amounts are 5 percent higher if you participate.

Also, regardless of the Medicare Part B services for which you are billing, participants have "one stop" billing for beneficiaries who have nonemployment-related Medigap coverage and who assign both their Medicare and Medigap payments to participants. After we have made payment, we automatically send the claim on to the Medigap insurer for payment of all coinsurance and deductible amounts due under the Medigap policy. The Medigap insurer must pay the participant directly.

The number of physicians, practitioners and suppliers who choose to participate in Medicare continues to grow. During CY 2002, 89.3 percent of all physicians, practitioners and suppliers are billing under signed Medicare participation agreements - this was a 0.6 percent increase over the number of CY 2001 participants.

WHAT TO DO

If you choose to be a participant in CY 2003:

- Do nothing if you are currently participating, or
- If you are not currently a Medicare participant, complete the blank agreement enclosed and mail it (or a copy) to each carrier to which you submit Part B claims. (On the form show the name(s) and identification number(s) under which you bill.)

If you decide not to participate in CY 2003:

- Do nothing if you are currently not participating, or
- If you are currently a participant, write to each carrier to which you submit claims, advising of your termination effective January 1, 2003. This written notice must be postmarked prior to January 1, 2003.

Hold onto this announcement during this enrollment period. You may want to refer to it again before making your decision regarding Medicare participation for CY 2003.

We hope you will decide to be a Medicare participant in CY 2003.

Please call _____ if you have any questions or need further information on participation.

OMB No. 0938-0373

MEDICARE
PARTICIPATING PHYSICIAN OR SUPPLIER AGREEMENT

Name(s) and Address of Participant* **Physician or Supplier Identification Code(s)***

The above named person or organization, called "the participant," hereby enters into an agreement with the Medicare program to accept assignment of the Medicare Part B payment for all services for which the participant is eligible to accept assignment under the Medicare law and regulations and which are furnished while this agreement is in effect.

1. Meaning of Assignment - For purposes of this agreement, accepting assignment of the Medicare Part B payment means requesting direct Part B payment from the Medicare program. Under an assignment, the approved charge, determined by the Medicare carrier, shall be the full charge for the service covered under Part B. The participant shall not collect from the beneficiary or other person or organization for covered services more than the applicable deductible and coinsurance.

2. Effective Date - If the participant files the agreement with any Medicare carrier during the enrollment period, the agreement becomes effective _____.

3. Term and Termination of Agreement - This agreement shall continue in effect through December 31 following the date the agreement becomes effective and shall be renewed automatically for each 12-month period January 1 through December 31 thereafter unless one of the following occurs:

a. During the enrollment period provided near the end of any calendar year, the participant notifies in writing every Medicare carrier with whom the participant has filed the agreement or a copy of the agreement that the participant wishes to terminate the agreement at the end of the current term. In the event such notification is mailed or delivered during the enrollment period provided near the end of any calendar year, the agreement shall end on December 31 of that year.

b. The Centers for Medicare & Medicaid Services may find, after notice to and opportunity for a hearing for the participant, that the participant has substantially failed to comply with the agreement. In the event such a finding is made, the Centers for Medicare & Medicaid Services will notify the participant in writing that the agreement will be terminated at a time designated in the notice. Civil and criminal penalties may also be imposed for violation of the agreement.

_____	_____	_____
Signature of participant (or authorized representative of participating organization)	Title (if signer is authorized representative of organization)	Date

(including area code)
Office phone number

*List all names and identification codes under which the participant files claims with the carrier with whom this agreement is being filed.

Received by
(name of carrier)

Effective date

Initials of carrier official

2003 FACT SHEET

FOR PHYSICIANS AND OTHER PROVIDERS: KEY NEWS FROM MEDICARE FOR 2003

Billing and business staff: Please share this with physicians and other providers.

1. Good News: No Flu Vaccine Shortages or Delays Anticipated

The Centers for Disease Control and Prevention (CDC) report that they do not anticipate influenza vaccine shortages or delays. Manufacturers of the vaccine are currently meeting their production goals. To date, 94.9 million doses have been produced, which exceeds the 87.7 million doses that were produced in the 2001-02 influenza season. The vaccine is expected to be available in October. Influenza vaccine for the 2002-03 influenza season is still available for purchase. Health care providers who have not ordered influenza vaccine should do so as soon as possible to ensure timely receipt of the vaccine. We also note that Medicare payment for administration of the flu vaccine will be increasing in 2003.

2. Immunization Administration

CPT code 90471 is used for immunization administration and CPT code 90472 is used for each additional vaccine. Payment under the physician fee schedule for CY 2003 will nearly double for CPT code 90471 and will be slightly reduced for CPT code 90472. Since CPT code 90472 must be billed in conjunction with CPT code 90471, the total payment for these procedures will increase when billed together.

3. Now Is The Time To Become HIPAA-Compliant

Two major Administrative Simplification provisions of the Health Insurance Portability and Accountability Act of 1996 (HIPAA) go into effect in 2003. Compliance with the privacy regulations is required beginning April 14, 2003 and the last date for compliance with the standard transactions and code sets regulations is October 16, 2003. In addition, as part of the Administrative Simplification Compliance Act (ASCA), Medicare will not accept paper claims after October 16, 2003; however, there are a few exceptions to this provision, including for small providers and for providers having no method available to submit claims electronically.

Now is the time to ensure you will be ready! The Department of Health and Human Services has resources available. Visit the Web site at www.cms.hhs.gov/hipaa. Your Medicare carrier or fiscal intermediary can also provide you with information about the transactions and code sets standards and can help you begin to test your HIPAA transactions early to ensure you are compliant.

4. Medicare and You 2003

The national edition of Medicare and You 2003 will be available for order after October 1, 2002. Call 1-800-MEDICARE (1-800-633-4227) to request up to 25 copies, or fax an order to 410-786-1905 for more than 25 copies.

5. Medicare Physician Web Site

A physician Web page is now available on the CMS Web site at http://cms.hhs.gov/physicians/. The page includes links to general information on enrollment, billing, conditions of participation, publications, education, training, data, and statistics. There are also links to specific information on the physician fee schedule, the Practicing Physicians Advisory Council (PPAC), the Physician Regulatory Issues Team (PRIT), Medicare payments, and the participating physician directory. We continue to work on improvements and will be soliciting feedback to make the page as comprehensive and as easy to navigate as possible.

6. Relevant Medicare Patient Brochures That May Be Of Interest To Physicians

There are a variety of brochures that physicians might find helpful to address frequently asked coverage-related questions. These include: Medicare and Your Mental Health Benefits (Publication #10184), Women with Medicare: Visiting Your Doctor for a Pap Test, Pelvic Exam, and Clinical Breast Exam (Publication #02248), Medicare Preventive Services: To Help Keep You Healthy (Publication # 10110) and Choosing Long-Term Care: A Guide for People with Medicare (Publication #02223). Publications newly available this year includes: Medicare Coverage of Diabetes Supplies and Services (Publication# 11022) and Medicare Coverage of Ambulance Services (Publication # 11021-will be available late Fall). A complete listing of all publications for beneficiaries is available at www.medicare.gov. Many publications are available in different languages and formats including: Braille, Spanish, Chinese, Audiocassette, and Large Print. To order copies for your office, fax your request to (410) 786-1905, and include the name of a contact person, phone number, and mailing address (No P.O Boxes please).

7. Medicare Learning Network Website

The Medicare Learning Network Web site, which is located at http://cms.hhs.gov/medlearn, is the Internet gateway to all of the educational information, products and services that are created by CMS and its contractors. This Web site allows Medicare providers to quickly obtain information they need to successfully navigate the Medicare program. It provides: quick reference guides, Web-based training modules, videos, publications, training materials, provider education events with on-line registration, questions and answers, and links to Medicare contractors. Bookmark and visit the Medicare Learning Network Web site frequently as it is continually being updated to bring you the most accurate and up-to-date information possible.

8. Medicare Coverage Information

Medicare's coverage rules are written in many types of documents located across multiple Web sites. Currently, National Coverage Determinations (NCDs) are located on cms.hhs.gov; Local Medical Review Policies (LMRPs) are located on lmrp.net; and contractor articles and Frequently Asked Questions (FAQ's) are located on individual contractor Web sites. The CMS has undertaken an effort to build a single access to Medicare coverage information. When finished, the cms.hhs.gov Web site will allow users to search across NCDs, LMRPs, and contractor articles/FAQs from a single point of entry. The Web site pages will be released in December 2002.

9. Advance Beneficiary Notices (ABNs)

The new ABN standard form, CMS-R-131, has been published and must be used on and after October 1, 2002. For replicable ABN forms and information on how to properly use an ABN, see our ABN Quick Reference Guide on our Medlearn Web site at http://cms.hhs.gov/medlearn/refabn.asp.

10. Drugs Furnished Incident to a Physician's Professional Services

We allow payment for certain injectable drugs furnished incident to a physician's service if the drug is not usually self-administered by Medicare beneficiaries. Contact your local carrier for more information.

11. Filing of Appeals on Initial Claim Determinations

As mandated by section 521 of the Benefits Improvement and Protections Act of 2000, effective October 1, 2002, physicians and other suppliers that wish to appeal an initial claim determination must file their appeal within 120 days of the initial determination. This represents an increase of 60 days for an appeal of a Medicare Part A claim and a decrease of 60 days for an appeal of a Medicare Part B claim.

12. CMS Publishes Nursing Home Quality Measures

In April 2002, CMS started publishing new nursing home quality measures on its consumer Web site at Nursing Home Compare on www.medicare.gov. The release was initially limited to six pilot states and starting in October will be expanded nationally. The quality data will enable beneficiaries, their caregivers, and families to choose nursing homes based, in part, on information relevant to both long (chronic) and short stays (typically Medicare-covered). The measures represent the best available science and include risk adjustment methodology. This quality data is one source of information for consumers to use in choosing a nursing home. We encourage consumers to review the other data on the nursing home site, and to visit nursing homes in person before selection. Additionally, quality improvement organizations in each State will be assisting nursing homes to use the data to implement quality improvement strategies. For more information about the pilot go to the www.cms.hhs.gov Web site, specifically the Nursing Home Quality Initiative.

13. Data Will Help Home Health Agencies Improve Care

The CMS is implementing the Outcomes Based Quality Improvement (OBQI) System for Home Health Agencies (HHAs). The CMS contractors will offer HHAs OBQI training and technical assistance that will assist HHAs in interpreting outcome reports, target outcomes for improvement, and develop and implement plans to improve these outcomes. The CMS will maintain a Home Health OBQI Clearinghouse Web site at www.obqi.org which will contain continuously updated literature, and administrative and clinical enhancements to home health care.

Other Physician Fee Schedule Information

Revisions to the 2003 Medicare Physician Fee Schedule affect the amount you will receive when providing services to a Medicare beneficiary. Below is a summary of the major changes effective January 1, 2003, as well as other useful information. Full physician fee schedule information is attached.

14. Medicare Qualifications For Clinical Nurse Specialists

The definition of a clinical nurse specialist (CNS) has been revised to include individuals certified as a clinical nurse specialist by a national certifying body that has established standards for clinical nurse specialists and that is approved by the Secretary. This revision is consistent with the certification criteria for nurse practitioners and will potentially enable CNSs who specialize in fields such as oncology, critical care, or rehabilitation to qualify as a CNS for Medicare purposes.

15. Telehealth Services

Effective October 1, 2001, Medicare Part B coverage was expanded to include office or other outpatient visits, professional consultation, individual psychotherapy, and pharmacologic management via telehealth in rural Health Professional Shortage Areas and non-Metropolitan Statistical Area Counties. A process has been established, as required by the law, to add or delete services to the list of Medicare telehealth services included in the physician fee schedule. In addition, a psychiatric diagnostic interview examination has been added to the list of Medicare telehealth services for CY 2003.

16. Enrollment of Physical and Occupational Therapists as Therapists in Independent Practice

We have revised the regulations at §§410.59 and 410.60 to allow enrollment of therapists as physical or occupational therapists in private practice when they are employed by physician groups. We believe that this reflects actual practice patterns, will permit more flexible employment opportunities for therapists and also increases beneficiaries' access to therapy services, particularly in rural areas.