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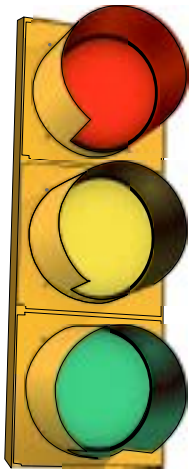
Medicare Incentive Payments for Physician Care in Underserved Areas

Providers Affected

Psychiatrists

Provider Action Needed

Physicians, including psychiatrists, should note that if they furnish services in primary medical care **Health Professional Shortage Areas (HPSAs)**, they are eligible to receive ten percent bonus payments. Psychiatrists furnishing services in mental health HPSAs are also eligible to receive ten percent bonus payments.



STOP – Impact to You

This instruction relates to the amount of payment psychiatrists receive if they provide services in a mental health HPSA.

CAUTION – What You Need to Know

Physicians, including psychiatrists, are eligible to receive ten percent bonus payments if they furnish services in primary medical care HPSAs. Psychiatrists furnishing services in mental health HPSAs are also eligible to receive ten percent bonus payments.

GO – What You Need to Do

Psychiatrists who qualify for these bonus payments are eligible to submit claims for services furnished in mental health HPSAs, effective for claims with dates of service on or after July 1, 2004.

Background

Under current law, Medicare pays a bonus to physicians for providing health care services in certain HPSAs. In light of recent physician inquiries, the Centers for Medicare & Medicaid Services has issued instructions to clarify which types of geographic HPSA (primary medical care, dental and mental health) are applicable to the Medicare Bonus Payment program that provides a ten percent bonus payment.

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Currently, the Health Resources and Services Administration (HRSA), part of the Department of Health and Human Services, is responsible for designating several types of HPSAs, including HPSA designations based on:

- **Areas** with shortages of primary care physicians, dentists or psychiatrists, referred to as **geographic-based HPSAs**; and
- **Underserved populations** within an area, referred to as **population-based HPSAs**.

Federal law for Medicare bonus payments recognizes geographic-based, primary medical care, and mental health HPSAs as eligible areas for receiving bonus payments. Consequently, physicians, including psychiatrists, furnishing services in a primary medical care HPSA, are eligible to receive bonus payments. In addition, psychiatrists furnishing services in mental health HPSAs are eligible to receive bonus payments. Dental HPSAs remain ineligible for the bonus payment program due to the fact that Medicare does not cover dental services for its beneficiaries.

This change would only affect psychiatrists furnishing services in mental health HPSAs that do not overlap with primary care HPSAs. In other words, these stand-alone mental health HPSAs are now eligible areas, as of July 1, 2004, for psychiatrists to receive bonus payments.

With respect to psychiatrist services in mental health HPSAs, CMS will furnish quarterly lists of **mental health HPSAs to Medicare carriers so they can** implement this change which is **effective for claims with dates of service on or after July 1, 2004**. Should an area be both a mental health HPSA and a non-mental health HPSA, only one ten percent bonus payment will apply to a single service.

Also, it is important for physicians and psychiatrists to note that the bonus is paid for services in HPSA areas only if those services are actually provided in the HPSA area. For example, if the physician has an office in a HPSA area, but provides the service in the patient's home, which is outside the service area, the bonus is not payable.

Implementation

The implementation date is July 6, 2004 for the mental health HPSAs and the change for such services will apply effective for dates of service on or after July 1, 2004. For services provided in primary medical care HPSAs, this instruction is meant for clarification and informational purposes only.

Additional Information

The Medicare Claims Processing Manual, Chapter 12 (Physicians/Nonphysician Practitioners), Section 90 (Physicians Practicing in Special Settings), Subsection 90.4 (Billing and Payment in a Health Professional Shortage Areas (HPSAs)) has been revised, and sections have been deleted. You can find this manual at:

http://www.cms.hhs.gov/manuals/104_claims/clm104index.asp

Once at that site, scroll down to Chapter 12 and select the version of the file you would like to view.

Also, to see the specific instruction issued to your Medicare carrier, visit:

http://www.cms.hhs.gov/manuals/pm_trans/R78CP.pdf.

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