

Program Memorandum Carriers

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

Transmittal B-03-007

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CHANGE REQUEST 2460

SUBJECT: Minimum Number of Pricing Files That Must Be Maintained Online for Medicare Physician Fee Schedule (MPFS) Services

I – GENERAL INFORMATION

A - Background:

CMS has historically mandated that a minimum of two pricing files be maintained for systematic pricing of services under reasonable charge provisions. The accuracy of Medicare, Part B, physician fee schedule payments is, in part, dependent on the number of pricing files maintained/ utilized online within carrier claims processing systems. When the Physician Fee Schedule pricing methodology was implemented, CMS did not specify a requirement for the minimum number of online physician fee schedule pricing files that are to be maintained by carrier claims processing systems. Some carrier systems maintain two online physician fee schedule pricing files (current and one prior period) consistent with CMS guidelines for reasonable charge fee screens. Other carrier systems employ more than two online physician fee schedule pricing files.

B - Policy:

CMS is creating a new minimum standard for the number of online pricing files maintained by carrier standard systems for determining physician fee schedule approved charges. The new minimum standard is five fee screens/pricing files (a current period and four prior periods) for Part B physician fee schedule services billed to carriers for payment on a fee-for-service basis. Carrier standard systems that utilize more than five physician fee schedule pricing files are not to reduce the number of online pricing files maintained.

NOTE: The HPBSS standard system and associated carriers are waived from implementing this change request due to their upcoming transition to the MCS system. Carriers are required to implement the change request once they transition to MCS.

II - BUSINESS REQUIREMENTS

Requirement #	Requirements	Responsibility
1.1	Standard systems must maintain a minimum of five online pricing files (a current period and four prior period files) for determining approved charges for Part B physician fee schedule services that are systematically priced (i.e., no manual intervention required for pricing). This must include the capability to accommodate multiple fee screens within a calendar year so systems changes would not be required if the fee schedule changed during the year.	Carrier Standard System Maintainers SSMs)
1.2	Load fees for the current period (i.e., March 1, 2003) and four prior periods for physician fee schedule services that are systematically priced.	Carrier SSMs & Carrier Data Centers
1.3	For physician fee schedule services systematically priced (i.e., priced without manual intervention), use the online pricing file applicable for the billed date of service. See requirement 1.4 for an exception to this rule.	Carrier SSMs

1.4	Use the earliest online physician fee schedule pricing file to price physician fee schedule services furnished prior to the earliest fee screen effective date (e.g., date of service = 1998 or earlier but the oldest online physician fee schedule pricing file for the service is for CY 1999).	Carrier SSMS
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III – SUPPORTING INFORMATION AND POSSIBLE DESIGN CONSIDERATIONS

A - Other Instructions:

B - Design Considerations:

X-Ref Requirement #	Recommendation for Medicare System Requirements
1.1, 1.2 & 1.3	<p>Based on a July 2003 implementation date, online pricing files for MPFS services must be created/installed for the following five periods: 2003 (effective for MPFS dates of service on or after 03/01/03), 2002 (for MPFS dates of service 01/01/02 through 02/28/03), 2001 (for MPFS dates of service 01/01/01 through 12/31/01), 2000 (for MPFS dates of service 01/01/00 through 12/31/00) and 1999 (for MPFS dates of service 01/01/99 through 12/31/99).</p> <p>NOTE: If it is not feasible or practical to create a 2002 MPFS pricing file for the 14 month period (1/1/2002 through 2/28/2003) due to system design considerations, the January and February 2003 period may be established as a separate period and the 1999 pricing file would be dropped (i.e., CY 2000 would be the earliest online MPFS pricing file).</p>
1.4	<p>For physician fee schedule dates of service that are earlier than the period for which online pricing files are maintained, the system will use the oldest online pricing file to price the applicable service.</p> <p>EXAMPLE: A Physician Fee Schedule service performed in 1998 and finalized for payment on or after March 1, 2003 would be priced using the earliest online pricing file. (This example assumes that fees have been loaded for five online pricing files and that the claim was filed timely or that good cause for not filing timely was established.)</p>
FYI only	Expansion of other online carrier and DMERC fee screens/pricing files (e.g., lab, DME ambulance). to a minimum of five periods will be scheduled for a later release.

C - Interfaces:

D - Contractor Financial Reporting /Workload Impact:

E - Dependencies:

F - Testing Considerations:

IV – Attachment(s)

<p>Version:</p> <p>Implementation Date: July 1, 2003</p> <p>Discard Date: July 4, 2004</p> <p>Post-Implementation Contact: CMS regional office</p>	<p>Effective Date: March 1, 2003 (March 1, 2003 will be the start date of the “current year” for the 2003 physician fee schedule pricing file once the system is modified for the July 2003 release.)</p> <p>Funding: These instructions should be implemented within your current operating budget.</p> <p>Pre-Implementation Contact: William Stojak Wstojak@cms.hhs.gov</p>
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