



Medicare: Today's Issue

May 7, 2004

BETTER BENEFITS – MORE CHOICES

Good News about the Medicare Prescription Drug, Improvement and Modernization Act of 2003!

Bonus Payments for Physician Scarcity Areas

Physician Scarcity Bonus Payment Program

- ❖ Under the MMA, this provision adds a new program for physicians serving beneficiaries in physician scarcity counties.
 - » A 5 percent bonus payment will be paid to primary care and specialist physicians providing care to beneficiaries in newly defined shortage areas.
 - » The shortage areas are those counties with the lowest ratio of primary care physicians/beneficiaries that represent an aggregate total of 20 percent of the total Medicare beneficiaries in the country, and those counties with the lowest ratios of non-primary care specialty physicians/beneficiaries that represent an aggregate total of 20 percent of the total Medicare beneficiaries in the country.
 - » These bonus payments are effective for services furnished on or after January 1, 2005 and before January 1, 2008.

Medicare Incentive Payment Program Improvements

- ❖ The Medicare Modernization Act (MMA) modifies the Medicare Incentive Payment Program, which provides 10 percent bonus payments to physicians in Health Professional Shortage Areas (HPSAs).
 - » This provision makes automatic, to the extent possible, the 10-percent Medicare Incentive Payment Program bonus for physicians who serve Medicare beneficiaries in full county HPSAs.
 - » This provision also requires the development of a user-friendly website for physicians to obtain information on partial county HPSAs in order to facilitate reporting of information on the Medicare claim form to identify the applicability of the bonus payment.
 - » The revisions to the existing HPSA bonus payment become effective for services furnished on or after January 1, 2005.