CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-20 One-Time Notification	Centers for Medicare & Medicaid Services (CMS)
Transmittal 700	**Date: May 10, 2010**
	Change Request 6973

SUBJECT: Revised Payment Files for the 2010 Medicare Physician Fee Schedule Database (MPFSDB) and Retroactive Provisions under the Patient Protection and Affordable Care Act (Pub. L. 111-148) (the Affordable Care Act)

I. SUMMARY OF CHANGES: Payment files were issued to contractors based upon the 2010 Medicare Physician Fee Schedule (MPFS) Final Rule. This change request (CR) amends those payment files and includes changes as a result of practice expense (PE) and malpractice (MP) relative value unit (RVU) corrections and provisions of the Patient Protection and Affordable Care Act (the Affordable Care Act), as modified by the Health Care and Education Reconciliation Act of 2010, which President Obama signed into law on March 23, 2010, and March 30, 2010, respectively.

EFFECTIVE DATE: January 1, 2010
IMPLEMENTATION DATE: June 1, 2010

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. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.

II. CHANGES IN MANUAL INSTRUCTIONS: (N/A if manual is not updated)
R=REVISED, N=NEW, D=DELETED-*Only One Per Row.*

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

III. FUNDING:
For Fiscal Intermediaries (FIs), Regional Home Health Intermediaries (RHHIs) and/or Carriers:
No additional funding will be provided by CMS; Contractor activities are to be carried out within their operating budgets.

For Medicare Administrative Contractors (MACs):
The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work (SOW). The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the

part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

IV. ATTACHMENTS:

One-Time Notification

**Unless otherwise specified, the effective date is the date of service.*

Attachment – One Time Notification

Pub. 100-20	Transmittal: 700	Date: May 10, 2010	Change Request: 6973

SUBJECT: Revised Payment Files for the 2010 Medicare Physician Fee Schedule Database (MPFSDB) and Retroactive Provisions under the Patient Protection and Affordable Care Act (Pub. L. 111-148) (the Affordable Care Act)

EFFECTIVE DATE: January 1, 2010

IMPLEMENTATION DATE: June 1, 2010

I. GENERAL INFORMATION

A. Background: Payment files were issued to contractors based upon the calendar year (CY) 2010 Medicare Physician Fee Schedule (MPFS) Final Rule. Subsequent to the publication of the CY 2010 MPFS Final Rule:

- The Department of Defense Appropriations Act of 2010 provided a two month zero percent update to the 2010 MPFS effective for dates of service January 1, 2010 through February 28, 2010;
- The Temporary Extension Act of 2010 extended the zero percent update to the 2010 MPFS for dates of service through March 31 2010; and
- The Continuing Extension Act of 2010 extended the zero percent update to the 2010 MPFS for dates of service through May 31, 2010.

This change request includes changes as a result of practice expense (PE) and malpractice (MP) relative value unit (RVU) corrections and provisions of the Patient Protection and Affordable Care Act (the Affordable Care Act), as modified by the Health Care and Education Reconciliation Act of 2010, which President Obama signed into law on March 23, 2010, and March 30, 2010, respectively. Therefore, new fee schedule files have been created and are available.

B. Policy: The PE and MP RVUs have been revised to align their values with the final CY 2010 MPFS policies for PE and MP RVUs. Although the zero percent (0%) update to the 2010 MPFS has been extended through legislation, the CF has been revised as a result of the PE and MP RVU corrections. The revised CF used in calculating the payment amounts associated with this instruction is $36.0791.

The Affordable Care Act, as modified by the Health Care and Education Reconciliation Act of 2010, also included the extension of several provisions that had previously been included in other legislation. The extended provisions include: 1) the extension of the work geographic practice cost index (GPCI) floor of 1.0; 2) the extension of the MPFS mental health add-on; 3) the extension of the exceptions process for Medicare therapy caps; and 4) the extension of payment for the technical component of certain physician pathology services. Also included is a revision to the PE GPCIs for CY 2010 and a new provision regarding payment for bone density tests in CY 2010.

Brief descriptions for each of these provisions are provided below.

<u>Revisions to CY 2010 Work and PE GPCIs</u>

Section 3102 of the Affordable Care Act extends the 1.0 work GPCI floor for services furnished through December 31, 2010. It also revises the PE GPCIs for CY 2010 so that the employee wage and rent portions of the PE GPCI reflect only one-half of the relative cost differences for each locality compared to the national average. Each PFS locality is held harmless under the PE GPCI changes.

These changes are reflected on the revised payment files.

Extension of Physician Fee Schedule Mental Health Add-On

Section 138 of the Medicare Improvements for Patients and Providers Act (MIPPA) of 2008 increased the Medicare payment amount for specific "Psychiatry" services by 5 percent, effective for dates of service July 1, 2008, through December 31, 2009. Section 3107 of the Affordable Care Act extends this provision retroactive to January 1, 2010, through December 31, 2010. The "Psychiatry" CPT codes that represent the "specified services" are as follows:

Office or Other Outpatient Facility

(Insight Oriented, Behavior Modifying and/or Supportive Psychotherapy)

1. 90804
2. 90805
3. 90806
4. 90807
5. 90808
6. 90809

(Interactive Psychotherapy)

1. 90810
2. 90811
3. 90812
4. 90813
5. 90814
6. 90815

Inpatient Hospital, Partial Hospital or Residential Care Facility

(Insight Oriented, Behavior Modifying and/or Supportive Psychotherapy)

1. 90816
2. 90817
3. 90818
4. 90819
5. 90821
6. 90822

(Interactive Psychotherapy)

1. 90823
2. 90824
3. 90826
4. 90827
5. 90828
6. 90829

The increased payment amounts for these codes are included on the revised payment files and are retroactive to January 1, 2010.

Payment for Bone Density Tests

Section 3111 of the Affordable Care Act adjusts the payment amounts for bone density tests. For dual-energy x-ray absorptiometry services furnished during CY 2010 the payment amount shall be equal to 70 percent of the product of the (a) relative value for the service for CY 2006; (b) the conversion factor for CY 2006; and (c) the geographic adjustment factor for the service for the fee schedule area (payment locality) for CYs 2010 and 2011, respectively. These services were identified in 2006 by CPT codes 76075 and 76077 but have since been renumbered to 77080 and 77082. Based on this provision, the adjusted RVUs for these services are:

CPT	MOD	WRVU	NON-FACILITY PE RVU	FACILITY PE RVU	MALPRACTICE RVU	NON-FACILITY TOTAL	FACILITY TOTAL
77080		0.22	2.35	NA	0.13	2.70	NA
	26	0.22	0.07	0.07	0.01	0.30	0.30
	TC	0.00	2.28	NA	0.12	2.40	NA
77082		0.12	0.59	NA	0.05	0.76	NA
	26	0.12	0.04	0.04	0.01	0.17	0.17
	TC	0.00	0.55	NA	0.04	0.59	NA

The adjusted payment amounts for these codes are included on the revised payment files and are retroactive to January 1, 2010.

Extension of Exceptions Process for Medicare Therapy Caps

Under the Temporary Extension Act of 2010, the outpatient therapy caps exception process expired for therapy services on April 1, 2010. Section 3103 of the Affordable Care Act continues the exceptions process through December 31, 2010. Contractors were provided with new instructions regarding the extension of this provision in Joint Signature Memorandum/Technical Direction Letter (JSM/TDL) 10207.

Extension of Payment for the Technical Component of Certain Physician Pathology Services

Under previous law, a statutory moratorium allowed independent laboratories to bill a carrier or a Medicare Administrative Contractor (MAC) for the technical component (TC) of physician pathology services furnished to hospital patients. This moratorium expired on December 31, 2009. Section 3104 of the Affordable Care Act extends the payment for the technical component of certain physician pathology services retroactive to January 1, 2010, through December 31, 2010. Contractors were provided with new instructions regarding the extension of this provision in JSM/TDL 10207.

NOTE: Contractors shall not perform mass adjustments for claims affected by changes in this instruction until further notice. Contractors shall continue all routine functions such as redeterminations, reopenings, and appeals.

II. BUSINESS REQUIREMENTS TABLE

Use "Shall" to denote a mandatory requirement

Number	Requirement	Responsibility (place an "X" in each applicable column)						
		A/B MM	DME MM	FI	CARRI	RHHI	Shared-System Maintainers	OTHER

		AC	AC		ER		FISS	MCS	VMS	CWF	
6973.1	Medicare contractors shall retrieve the revised payment files, as identified in Attachment 2, from the CMS Mainframe Telecommunications System. Files will be available for retrieval on May 10, 2010.	X		X	X	X	X				
6973.2	Contractors shall begin to pay claims using these new files no later than 3 weeks from the date of issuance of this instruction.	X		X	X	X	X				
6973.3	Contractors shall remove the prior negative pricing files that were issued in JSM/TDL 10227 and which are currently maintained in your UAT ("test") region.	X		X	X	X	X				
6973.4	Contractors shall disclose the new MPFS fees on their websites as soon as possible, but no later than 2 weeks from the date that the files are available for contractors to download. In addition, contractors shall notify providers via their website that the new fees are effective retroactive to January 1, 2010.	X		X	X						
6973.5	Contractors shall not perform mass adjustments for claims affected by changes in this instruction until further notice. Contractors shall continue all routine functions such as redeterminations, reopenings, and appeals.	X		X	X						
6973.6	Medicare contractors shall send notification of successful receipt via email to price_file_receipt@cms.hhs.gov stating the name of the file received and the entity for which it was received (e.g., carrier/fiscal intermediary name and number).	X		X	X	X					

III. PROVIDER EDUCATION TABLE

Number	**Requirement**	**Responsibility (place an "X" in each applicable column)**									
		A/B MAC	DME MAC	FI	CARRIER	RHHI	Shared-System Maintainers				OTHER
							FISS	MCS	VMS	CWF	
6973.7	A provider education article related to this instruction will be available at http://www.cms.hhs.gov/MLNMattersArticles/ shortly after the CR is released. You will receive notification of the article release via the established "MLN Matters" listserv. Medicare contractors shall post this article, or a direct link to this article, on their Web site and include information about it in a listserv message within one week of the availability of the provider education article. In addition, the provider education article shall be included in your next regularly scheduled bulletin.	X		X	X						

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A/B MAC	DME MAC	FI	CARRIER	RHHI	Shared-System Maintainers				OTHER
							FISS	MCS	VMS	CWF	
	Medicare contractors are free to supplement MLN Matters articles with localized information that would benefit their provider community in billing and administering the Medicare program correctly.										

IV. SUPPORTING INFORMATION

A. For any recommendations and supporting information associated with listed requirements, use the box below:
Use "Should" to denote a recommendation.

X-Ref Requirement Number	Recommendations or other supporting information:
	N/A

B. For all other recommendations and supporting information, use this space: N/A

V. CONTACTS

Pre-Implementation Contact(s): Gaysha Brooks, Gaysha.Brooks@cms.hhs.gov, (410) 786-9649

Post-Implementation Contact(s): Appropriate Regional Office

VI. FUNDING

A. For Fiscal Intermediaries and Carriers:
No additional funding will be provided by CMS; contractor activities are to be carried out within their operating budgets.

B. For Medicare Administrative Contractors (MACs):

The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the Statement of Work (SOW). The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

Attachment

Attachment
Filenames for Revised Payment Files

The files associated with this change request are complete replacement files.

The filenames for the revised payment files for the 2010 Medicare Physician Fee Schedule Database for contractors are:

MU00.@BF12390.MPFS.CY10.HCR.C00000.V0510
MU00.@BF12390.MPFS.CY10.HCR.PURDIAG.V0510
Mu00.@BF12390.MPFS.CY10.HCR.ANES.V0510

The filenames for the revised payment files for the 2010 Medicare Physician Fee Schedule Database for intermediaries are:

Anesthesia File:
Mu00.@BF12390.MPFS.CY10.HCR.ANES.V0510

SNF Abstract File
MU00.@BF12390.MPFS.CY10.HCR.SNF.V0510.FI

Therapy/CORF Abstract File
MU00.@BF12390.MPFS.CY10.HCR.ABSTR.V0510.FI

Mammography Abstract File
MU00.@BF12390.MPFS.CY10.HCR.MAMMO.V0510.FI

Therapy/CORF Supplemental File:
MU00.@BF12390.MPFS.CY10.HCR.SUPL.V0510.FI

Hospice File
MU00.@BF12390.MPFS.CY10.HCR.V0510.RHHI

Payment Indicator File
MU00.@BF12390.MPFS.CY10.HCR.PAYIND.V0510