

## Part B Health Professional Shortage Area (HPSA) Bonus Payments

The Health Professional Shortage Area (HPSA) bonus is a 10 percent incentive payment paid to physicians who provide covered professional services in a geographic HPSA. Medicare incentive payments are available only in geographic HPSAs.

### Incentive Payments

The incentive payment is 10 percent of the amount actually paid, **not** the approved amount. The incentive payment can be paid for services identified on either assigned or non-assigned claims.

Eligibility for the incentive payment is decided by the location where the service is performed. If a physician provides services in an office, patient's home, nursing home or hospital that is located in an HPSA area, these services are eligible for incentive payment. However, despite where the physician's office is located, services performed outside the geographic boundaries of the HPSA area are not eligible for the incentive payment.

A geographic HPSA may cover an entire county or only part of a county or city, depending on the health professional shortage in a designated area. When only part of a county is eligible for the HPSA bonus, the part is identified by a Census Tract (CT) number for that location. The CT number can be located at <http://www.ffiec.gov/Geocode/default.aspx>.

If you cannot determine whether the physician's locality where services were furnished is in an HPSA area, please call TrailBlazer Customer Service.

The 10 percent incentive amount paid to the physician is based on the amount the Medicare program has paid for services furnished by the physician. Non-covered services and amounts applied to the deductible are not considered eligible for incentive payment since no payment was made by Medicare.

**Note:** Incentive checks are issued quarterly. For example, physicians who provide services eligible for incentive payment for the first quarter of 2009 (January–March) should receive checks in April 2009. These checks are taxable and will be reported to the Internal Revenue Service (IRS) through the IRS Form 1099 process.



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## Eligible Providers

Primary care:

- Doctors of medicine.
- Doctors of osteopathic medicine.
- Doctors of dental surgery.
- Doctors of chiropractor.
- Doctors of podiatric medicine.
- Doctors of optometry.
- Doctors of psychiatry.

Specialties for mental health HPSA:

- Psychiatry.

**Note:** Physicians' professional services rendered by the provider specialty of 26, psychiatry, are eligible for an HPSA bonus when rendered in a mental health HPSA. The service must have a Professional Component/Technical Component (PC/TC) designation per the chart below. Should a ZIP code fall within both a primary care and mental health HPSA, only one bonus will be paid on the service.

## Billing Requirements

The bonus will automatically be paid **without** the submission of a modifier when services are provided in ZIP code areas that either:

- Fall fully within a designated full-county HPSA.
  - Fall fully within a full-county HPSA and has been determined to be dominant for the county by the USPS.
- Or,
- Fall fully within a partial-county HPSA.

The submission of the **AQ** modifier will be required for the following:

- When services are provided in ZIP code areas that do not fully fall within a designated full-county HPSA bonus area.
- When services are provided in a ZIP code area that partially fall within a full-county HPSA but is not considered to be in that county based on the dominance decision made by USPS.
- When services are provided in a ZIP code area that partially falls within a partial-county HPSA.
- When services are provided in a ZIP code area that was not included in the automated file based on the date of the data run used to create the file.

Use the following link(s) to verify HPSA eligibility:

- To verify automated HPSA bonus designation status:  
<http://www.cms.hhs.gov/hpsapsaphysicianbonuses/>
- To verify HPSA bonus designation status:  
<http://www.bhpr.hrsa.gov/shortage/>

To be considered for the bonus payment, the name, address and ZIP code of where the service was rendered must be included on all electronic and paper claims submissions.

If an AQ modifier is billed indicating the service was rendered in an HPSA, the physical location where the service(s) was rendered must be entered if other than “home” in Item 32 on the CMS-1500 claim form.

### Electronic Claims

American National Standards Institute (ANSI) Format 837		
2310D or 2420C	NM101	Entity Identifier Code
	NM102	Entity Type Qualifier
	NM103	Facility Name
	N301	Address
	N401, 02, 03	City, State, ZIP Code

## Billing for Procedures with PC/TC Indicators

Physicians' professional services may be identified by the PC/TC indicator field of the Medicare Fee Schedule.

<http://www.trailblazerhealth.com/Tools/Fee%20Schedule/MedicareFeeSchedule.aspx>

PC/TC Indicator	Indicator Definition	HPSA Eligibility
0	Physician service	Yes
1	Globally billed*	No
1	TC modifier/technical component	No
1	26 modifier/professional component	Yes
2	Professional component only	Yes
3	Technical component only	No
4	Global test**	No
5	"Incident to" code	No
6	Laboratory physician interpretation codes	Yes
7	Physical therapy service	No
8	Physician interpretation code	Yes
9	Concept of PC/TC does not apply	No

\* Globally billed with a PC/TC of 1 – Services with a PC/TC indicator of 1 that are eligible for the HPSA or PSA bonus will be accepted. The bonus is paid only on the professional component of the service.

\*\* Effective for claims received on or after July 1, 2006, except for 93015, Medicare will accept claims with services with a PC/TC indicator of 4 that are eligible for the HPSA bonus. Medicare will pay the bonus only on the associated professional component of the service. Since 93015 has two associated professional components, Medicare will not be able to make a determination as to which would be the correct component to use to calculate the bonuses. Therefore, Medicare will continue to treat 93015 as unprocessable.

## Anesthesia

Anesthesia codes (CPT codes 00100–01999) do not appear on the Medicare Physician Fee Schedule Database. However, the HPSA bonus is payable when a medically necessary anesthesia service is furnished by a physician within an HPSA area.

An HPSA incentive will be paid when the modifiers in the following table are billed with CPT codes 00100–01999 identifying that a physician is performing the anesthesia service.

<b>Anesthesia Modifiers Paid HPSA Incentive</b>	
<b>Modifier</b>	<b>Description</b>
AA	Anesthesia services performed personally by an anesthesiologist
AD	Medical supervision by a physician: more than four concurrent anesthesia procedures
GC	This service has been performed in part by a resident under the direction of a teaching physician.
QK	Medical direction of two, three or four concurrent anesthesia procedures
QY	Medical direction of one CRNA by an anesthesiologist

\* GC – This modifier should only be used for teaching physician services.

## Monthly Capitation Payments (MCP)

Monthly Capitation Payment (MCP) for physician dialysis services is a global payment for a package of services furnished during an entire month. The MCP amount is not prorated each month to distinguish services that might be furnished outside a designated area.

Medicare will presume that those MCP services for both outpatient and home dialysis patients are furnished in the patient's dialysis facility, and the incentive will be paid if the patient's dialysis facility is located in an HPSA.

Complete HPSA guidelines can be found in the Internet-Only Manuals on the CMS Web site at:

<http://www.cms.hhs.gov/manuals/downloads/clm104c12.pdf>