



**News Flash - Test Your Medicare Claims Now!** After you have submitted claims containing both National Provider Identifiers (NPIs) and legacy identifiers and those claims have been paid, Medicare urges you to send a small batch of claims now with only the NPI in the primary provider fields. If the results are positive, begin increasing the number of claims in the batch. (Reminder: For institutional claims, the primary provider fields are the Billing and Pay-to Provider fields. For professional claims, the primary provider fields are the Billing, Pay-to, and Rendering Provider fields. If the Pay-to Provider is the same as the Billing Provider, the Pay-to Provider does not need to be identified.)

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Related CR Transmittal #: R3120TN

Implementation Date: January 7, 2008

## **EMERGENCY -- Legislative Change Affecting the 2008 Medicare Physician Fee Schedule (MPFS), and Extension of the 2008 Participation Open Enrollment Period**

### **Provider Types Affected**

Physicians and other providers who bill Medicare contractors (fiscal intermediaries (FI), regional home health intermediaries (RHHI), carriers, and Medicare Administrative Contractors (A/B MAC)) for professional services paid under the MPFS.

### **What You Need to Know**

CR5944, from which this article is taken, provides Medicare contractors with information about (and instructions for implementing) legislative changes to the 2008 MPFS, and about the extension of the Participation Open Enrollment period for 2008.

Effective for claims with dates of service January 1, 2008, through June 30, 2008, the update to the conversion factor will be 0.5%; and for claims with dates of service July 1, 2008 and after, will revert back to the previous payment methodology (the -10.1% update) that was outlined in the Final Rule, published in the Federal Register on November 27, 2007.

#### Disclaimer

This article was prepared as a service to the public and is not intended to grant rights or impose obligations. This article may contain references or links to statutes, regulations, or other policy materials. The information provided is only intended to be a general summary. It is not intended to take the place of either the written law or regulations. We encourage readers to review the specific statutes, regulations and other interpretive materials for a full and accurate statement of their contents. CPT only copyright 2007 American Medical Association.

Additionally, the Centers for Medicare & Medicaid Services (CMS) has extended the 2008 Participation Open Enrollment period from December 31, 2007, to February 15, 2008 – therefore, it now runs from November 15, 2007 through February 15, 2008.

## Background

The “Medicare, Medicaid, and SCHIP Extension Act of 2007” changes the rates of the 2008 Medicare Physician Fee Schedule (MPFS). CR5944 informs Medicare contractors of this legislative change to the 2008 MPFS; the release of the new MPFS files for them to load; the need to be ready to process beginning January 7, all claims with dates of service on or after January 1, 2008, which contain MPFS services; and the extension of the Participation Open Enrollment period for 2008.

### MPFS Rate Change

Effective for claims with dates of service January 1, 2008, through June 30, 2008, the update to the conversion factor will be 0.5%.

It is important that you understand, however, that this new legislation only impacts the MPFS rates during the first half of 2008 (claims with dates of service January 1, 2008, through June 30, 2008). Claims with dates of service July 1, 2008 and after will revert back to the previous payment methodology (the -10.1% update) that was outlined in the Final Rule, published in the Federal Register on November 27, 2007.

***Note: The legislation also extends the 1.0 floor on the work geographic practice cost index for six months, i.e., through June 30, 2008.***

This MPFS rate change also impacts several other fee schedule rates which are MFPS-derived, including the anesthesia conversion factors, purchased diagnostic file, and ambulatory surgical center (ASC) facility rates; but does not impact services that are not paid under the MPFS (e.g., DME, clinical lab, etc.).

**Physicians do not need to take any additional action in order for their claims to be paid at the new 0.5 percent rate.** Medicare contractors are able to process claims for services paid under the Medicare Physician Fee Schedule that contain dates of service January 1 and after with the new 2008 rates. No adjustments should be necessary. Your Medicare contractors have been instructed to be ready to process all claims with 2008 dates of service with the new MPFS fees beginning January 7, 2008.

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## 2008 Participation Open Enrollment Period Extension

Because this new legislation changes the 2008 MPFS rates, the CMS has extended the 2008 Participation Open Enrollment period from December 31, 2007, to February 15, 2008 – therefore, it now runs from November 15, 2007 through February 15, 2008.

The effective date for any Participation status change during the extension, however, remains January 1, 2008; and will be in force for the entire year. You should make your Participation decision for 2008 based on the two new fee rates (i.e., the 0.5% update that is effective January through June, and the -10.1% update that is effective July through December).

*Note: CR5944 revises CR 5732 (Transmittal 1356 -- Calendar Year (CY) 2008 Participation Enrollment and Medicare Participating Physicians and Suppliers Directory (MEDPARD) Procedures, dated October 19, 2007) to reflect the extension.*

### CR5944 also contains additional Medicare contractor instructions:

- Any contractor unable to meet the January 7, 2008 for processing claims date, can hold affected claims for up to 14 calendar days after receipt; but all held claims must be released for payment no later than January 15, 2008.
- Contractors will not automatically make adjustments for providers who change their Participation status after January 1, 2008 (you should begin billing claims according to the Participation decision that you have made). However, they will adjust claims based on Participation status changes that you bring to their attention.
- Your contractor will make the Participation Agreement available to you by placing it on their Web sites with Participation enrollment (and termination) instructions. They will mail (at no charge) hard copies of the new 2008 MPFS, on request, to any physicians/practitioners who do not have Internet access and are unable to view the new fees on the contractor Web site. They will, however, charge a reasonable fee for mailing a hard copy of the 2008 MPFS to providers that do have Internet access, but who want a hard copy for convenience. Further, they will handle physicians/practitioners' requests for copies of the 2008 MPFS as customer services matters, and not as Freedom of Information Act (FOIA) requests; but will handle such requests from other members of the public as FOIA requests.
- Contractors will post the new fees on their Web sites as early as possible.

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- Contractors will accept and process any Participation elections or withdrawals, made during the extended enrollment period that are received or post-marked on or before February 15, 2008.

## Additional Information

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You can find the official instruction, CR5944, issued to your carrier, FI, RHHI, or A/B MAC by visiting <http://www.cms.hhs.gov/Transmittals/downloads/R312OTN.pdf> on the CMS website.

If you have any questions, please contact your carrier, FI, RHHI, or A/B MAC at their toll-free number, which may be found at <http://www.cms.hhs.gov/MLNProducts/downloads/CallCenterTollNumDirectory.zip> on the CMS website.

**News Flash - It's Not Too Late to Give and Get the Flu Shot!** In the U.S., the peak of flu season typically occurs anywhere from late December through March; however, flu season can last as late as May. Each office visit presents an opportunity for you to talk with your patients about the importance of getting an annual flu shot and a one time pneumococcal vaccination. Protect yourself, your patients, and your family and friends by getting and giving the flu shot. **Don't Get the Flu. Don't Give the Flu. Get Vaccinated!** Remember - Influenza and pneumococcal vaccinations and their administration are covered Part B benefits. Note that influenza and pneumococcal vaccines are NOT Part D covered drugs. You and your staff can learn more about Medicare's coverage of adult immunizations and related provider education resources, by reviewing Special Edition MLN Matters article SE0748 at <http://www.cms.hhs.gov/MLNMattersArticles/downloads/SE0748.pdf> on the CMS website.

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