



An Overview of Medicare Preventive Services for Physicians, Providers, Suppliers, and Other Health Care Professionals educational video program, provides information on Medicare-covered preventive services, risk factors associated with various preventable diseases, and highlights the importance of prevention, detection, and early treatment of disease. The program is an excellent resource to help physicians, providers, suppliers, and other health care professionals learn more about preventive benefits covered by Medicare. Running approximately 75 minutes in length, the program is suitable for individual viewing or for use in conjunction with a conference or training session. To order your copy today, go to the Medicare Learning Network Product Ordering page at http://cms.meridianksi.com/kc/main/kc_frame.asp?kc_ident=kc0001&loc=5 on the CMS website. Available in DVD or VHS format.

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Related Change Request (CR) #: 5543

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Effective Date: October 1, 2007

Related CR Transmittal #: R1250CP

Implementation Date: October 1, 2007

Implementation of the Carrier Jurisdictional Pricing Rules for All Purchased Diagnostic Service Claims

Note: This article was revised on June 13, 2007, to delete an unnecessary note from page 2 regarding current processes and to add a bullet point (in italics) on page 3. All other information remains the same.

Provider Types Affected

Physicians, laboratories, and Independent Diagnostic Testing Facilities (IDTFs) who bill carriers/Medicare Administrative Contractors (MAC) for purchased diagnostic services

Provider Action Needed

CR 5543, from which this article is taken, replaces the temporary physician billing instructions specified in CR 3630 (issued on December 23, 2004) with new billing procedures that (effective October 1, 2007) allow all physicians and suppliers to receive the correct payment amount for all purchased diagnostic services, including those performed outside of their local carrier's/Medicare Administrative Contractor's (MAC) jurisdiction.

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Background

Through CR 3481, the Centers for Medicare and Medicaid Services (CMS), on April 1, 2005, implemented a Medicare Physician Fee Schedule (MPFS) national abstract file containing the Healthcare Common Procedural Coding System (HCPCS) codes, billable as a purchased diagnostic test/interpretation, for every locality throughout the country. With this file's implementation, CMS changed the carrier jurisdictional pricing rules for purchased diagnostic tests/interpretations to allow suppliers (including laboratories, physicians, and independent diagnostic testing facilities) to bill their local carrier/MAC for these services and receive the correct payment amount, regardless of the location where the service was performed. (See *CR 3481, issued on October 29, 2004*)

Note: Carrier jurisdictional pricing rules for all other services payable under the MPFS have remained in effect.

However, CMS delayed implementation of the CR3481's billing instructions for physicians, because of a previously noted potential problem with reporting the locality data in physician claims for such services performed outside of the local carrier's jurisdiction. Rather, through CR 3630, CMS implemented a temporary change in the carrier jurisdictional pricing rules for purchased diagnostic services to allow physicians providing out-of-jurisdiction diagnostic tests/interpretations to bill their local carrier for these services and receive the local rate.

CR 5543, from which this article is taken, replaces the temporary physician billing instructions specified in CR 3630 with new billing procedures to allow all physicians and suppliers to receive the correct payment amount for all purchased diagnostic services (based on the ZIP code of the location where the service was rendered, in accordance with the carrier jurisdictional pricing rules), including those performed outside of the local carrier's jurisdiction, effective for claims with dates of service on or after October 1, 2007.

CR 5543's key points include:

- Effective for claims with dates of service on or after October 1, 2007, carriers/MACS will use the MPFS national abstract file for purchased diagnostic tests/interpretations to price all claims for purchased diagnostic services based on the ZIP code of the location where the service was rendered, including those submitted by physicians for purchased diagnostic services performed outside of the local carrier's jurisdiction, in accordance with the carrier jurisdictional pricing rules specified in Chapter 1, Section 10.1.1 of the *Medicare Claims Processing Manual*.
- Physicians and suppliers must begin reporting the rendering physician's/supplier's information and the location where the service was

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rendered on all claims for purchased tests/interpretations with dates of services on or after October 1, 2007, including those for tests/interpretations performed outside of the local carrier's jurisdiction, following the instructions for submitting a purchased diagnostic service claim in Chapter 1, Sections 10.1.1.2 and 30.2.9 of the *Medicare Claims Processing Manual*.

- Physicians/suppliers are not to report the NPI (or provider identification number (PIN)) of the out-of-jurisdiction performing physician/supplier when submitting a claim for a diagnostic service purchased outside of their local carrier's/MAC's jurisdiction.
- Physicians and suppliers are reminded they may only submit claims for purchased tests/interpretations when these services are performed within the United States. (In this context, the term "United States" means the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, the Northern Mariana Islands and American Samoa. See Chapter 1, Section 10.1.4 of the Medicare Claims Processing Manual for additional information.)

Additional Information

You can find the official instruction, CR5543, issued to your carrier or A/B MAC by visiting <http://www.cms.hhs.gov/Transmittals/downloads/R1250CP.pdf> on the CMS website.

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

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