

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
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CENTER FOR MEDICARE

DATE: April 25, 2014

TO: All Medicare Advantage Organizations and PACE Organizations

FROM: Cheri Rice
Director, Medicare Plan Payment Group

SUBJECT: Primary Care Incentive Payment Eligibility File - 2014

This memo provides information on the Primary Care Incentive Payment program (PCIP). It is for use in situations when a Medicare Advantage Organization is required to pay at least the original Medicare rate for out of network services.

Primary Care Incentive Payments (PCIP)

Section 5501(a) of the Affordable Care Act provides for an incentive payment for primary care services furnished on or after January 1, 2011 and before January 1, 2016 by a primary care practitioner. The Primary Care Incentive Payment (PCIP) will be paid on at least a quarterly basis in an amount equal to 10 percent of the amount paid for primary care services under the Medicare Physician Fee Schedule for those services furnished during the bonus payment year. More information about the PCIP program can be found in the following articles:

<http://www.cms.gov/MLN Matters Articles/downloads/MM7060.pdf>

<http://www.cms.gov/MLN Matters Articles/downloads/MM7561.pdf>

PCIP and Medicare Advantage

When a MA organization does not have an existing contract in place governing payment amounts, a provider is entitled to Fee-for-Service rates with respect to any MA enrollee it provides services to. The requirement is for a Medicare Advantage Organization to pay non-contracted providers (including providers who are “deemed” to be contracting under private fee for service (PFFS) plans) the original Medicare payment amount. Therefore, a Medicare Advantage Organization (MAO) is required to pay PCIP Incentive Program payments to non-contract providers who qualify for these payments under original Medicare. This includes eligible professionals that do not participate in the Medicare Fee-For-Service program.

To summarize, a MAO is required to pay a PCIP Incentive Payment to providers for services delivered in 2014 when all of the following conditions are met:

- MAO does not have an existing contract with provider
- Provider treats MA enrollee out of network
- Provider eligible to PCIP incentive payment under original Medicare (i.e., eligible professional)

Eligible Professional

An Eligible Professional includes providers who have a primary specialty designation of Family Medicine, Internal Medicine, Geriatric Medicine, Pediatric Medicine, Nurse Practitioner, Clinical Nurse Specialist, or Physician Assistant and for whom primary care services accounted for at least 60 percent of all their allowed charges under the Physician Fee Schedule (PFS) in the qualifying year.

How to Calculate the PCIP Incentive Payment Amount Owed

An MA organization calculates the incentive bonus payment using the same formula as original Medicare. The incentive payment amount is calculated as 10 percent of the amount paid for primary care services under the Medicare Physician Fee Schedule. The incentive payment is calculated on 80 percent of the Physician Fee Schedule Allowed Charges. For non-contract services provided in 2014, an eligible professional is entitled to receive a ten percent incentive payment on the Medicare Part B allowed charges for primary care services.

$\text{PCIP Incentive Payment}_{2014} = 80 \text{ percent of Medicare PFS Allowed Charges for Primary Care Services}_{2014} * .10$
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A Medicare Advantage Organization (MAO) is required to pay PCIP Incentive Program payments to non-contract providers unless the total amount owed is less than one dollar.

Notification & Timeline for PCIP Incentive Payments

CMS expects MA organizations to include an explanation to providers when they pay PCIP incentive payments. This allows provider to track the source and reason for the payment.

File Access and Description

A list of providers eligible for the Primary Care Incentive Program (PCIP) is now available for calendar year 2014. CMS determines whether a provider is eligible for a PCIP incentive payment based on claims reported in the 2012 program year. The eligibility file lists the National Provider Identification (NPI) number for each eligible provider who qualifies for the PCIP bonus in 2014.

A registered HPMS user can visit the Data Extract Facility from the Home Page of HPMS. There will be a link entitled “Incentive Payments” on the left navigation bar, and then the user can select to download the file under PCIP. Due to the sensitivity of some of the information provided in the file, only your Medicare Compliance Officer will be able to access and download it.

The file includes one field.

- National Provider Identification (NPI), text format

Since the file contains 211,302 rows, Excel 2007 or a newer version is needed to extract data from the file.

Additional Information

If you have any questions about the guidance in the memorandum, please contact Jean Stiller at Jean.Stiller@cms.hhs.gov.