

CMS Manual System

Pub 100-04 Medicare Claims Processing

Transmittal 730

Department of Health & Human Services (DHHS)

Center for Medicare & Medicaid Services (CMS)

Date: OCTOBER 28, 2005

Change Request 4051

NOTE: This instruction was previously communicated as sensitive and controversial. This instruction is no longer sensitive and may be posted to your web site as early as today, November 3, 2005.

SUBJECT: Calendar Year (CY) 2006 Participation Enrollment and Medicare Participating Physicians and Suppliers Directory (MEDPARD) Procedures

I. SUMMARY OF CHANGES: Carriers conduct an enrollment period on an annual basis in order to provide eligible physicians, practitioners and suppliers with the opportunity to enroll in, or terminate enrollment from, the participation program. This instruction furnishes carriers with the materials needed for the 2006 participation enrollment effort. **(This is a sensitive/controversial instruction. Information in this instruction must remain confidential until the physician fee schedule regulation is put on display.)**

NEW/REVISED MATERIAL

EFFECTIVE DATE: October 28, 2005

IMPLEMENTATION DATE: November 9, 2005

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	N/A

III. FUNDING:

Funding for implementation activities will be provided to contactors through the regular budget process.

IV. ATTACHMENTS:

Recurring Notification Form

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

Attachment – Recurring Update Notification

Pub. 100-04	Transmittal: 730	Date: October 28, 2005	Change Request 4051
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SUBJECT: Calendar Year (CY) 2006 Participation Enrollment and Medicare Participating Physicians and Suppliers Directory (MEDPARD) Procedures.

I. GENERAL INFORMATION

A. Background: Carriers conduct an enrollment period on an annual basis in order to provide eligible physicians, practitioners and suppliers with an opportunity to make their calendar year Medicare participation decision by December 31. To sign a participating agreement is to agree to accept assignment for all covered services that are provided to Medicare patients. After the enrollment period ends, carriers publish an updated list of participating physicians, practitioners, and suppliers, in their local MEDPARDs on their Web sites.

B. Policy: The annual participation enrollment program for CY 2006 will commence on November 15, 2005, and will run through December 31, 2005.

The purpose of this Recurring Update Notification is to furnish carriers with material needed for the CY 2006 participation enrollment effort. The following documents are attached:

- A Participation Announcement; and
- A Blank Participation Agreement;

Carriers shall produce and mail the participation enrollment material on a CD-ROM (refer to Change Requests 3891 and 3969). **For this year's mailing, carriers are NOT to place the new fees on the CD. Carriers shall place the new fees (physician fee schedule fees and anesthesia conversion factors) on their Web site for providers to access and download. The information contained in this Recurring Update Notification must be kept CONFIDENTIAL until the Physician Fee Schedule Final Rule is put on display. However, carriers shall act immediately regarding business requirements 4051.7, .8, .9 and.10.**

As stated in CR 3969 released in July 2005, the "Fact Sheet" otherwise known as "Key News From Medicare" will be replaced this year with a Special Edition (SE) Medlearn Matters Article (MMA) of approximately 5 to 10 pages in length. Carriers will receive the SE-MMA via a joint signature memorandum. The SE-MMA should be included on the "Dear Doctor" CD if it is received by the carriers' deadline for getting information to the vendor for replication. Like this instruction, the SE-MMA must be kept CONFIDENTIAL until the final rule is on display.

CMS will send all carriers an e-mail notice when the Physician Fee Schedule Final Rule has been put on display. The CDs should be mailed in time for physicians, practitioners, and suppliers, to receive the participation enrollment material by November 15, but the CDs should not be mailed before

November 9.

Physicians, practitioners, and suppliers, enrolled in the Medicare program and who chose not to accept assignment for every covered service they furnish do not have to sign a “Medicare Participating Physician or Supplier Agreement” in order to bill Medicare and receive payment.

The CMS plans to release the Medicare Physician Fee Schedule Database (MPFSDB) and the anesthesia conversion factors to carriers electronically in mid to late October. This data must also be kept confidential until the physician fee schedule final rule is put on display.

II. BUSINESS REQUIREMENTS

“Shall” denotes a mandatory requirement

“Should” denotes an optional requirement

Requirement Number	Requirements	Responsibility (“X” indicates the columns that apply)							
		F I	R H I	C a r r i e r	D M E R C	Shared System Maintainers			
					F I S S	M C S	V M S	C W F	
4051.1	Carriers shall reproduce the attachments and mail the participation material (excluding the fees) on a CD ROM. See the Internet Only Manual (IOM) publication 100-04, chapter 1, section 30.3.12.)			X					
4051.2	Carriers shall NOT place the fees on the CD ROM.			X					
4051.3	Carriers shall display the fee data prominently on their Web site. For CY 2006 disclosure reports, carriers shall use the following format for displaying fees on the Web and/or hardcopy: <ul style="list-style-type: none"> • Procedure code (including professional and technical component modifiers, as applicable); • Par amount (non-facility); • Par amount (facility-based); 			X					

Requirement Number	Requirements	Responsibility (“X” indicates the columns that apply)							
		F I	R H H I	C a r r i e r	D M E R C	Shared System Maintainers			
					F I S S	M C S	V M S	C W F	
	<ul style="list-style-type: none"> • Non-par amount (non-facility); • Limiting charge (non-facility); • Non-par amount (facility-based); and Limiting charge (facility-based). 								
4051.4	For CY 2006 disclosure reports, carriers shall provide the anesthesia conversion factors on their Web site.			X					
4051.5	Carriers shall display the fee schedule using a using provider friendly format from which providers can download their particular locality. Providers should not have to download the whole fee schedule file.			X					
4051.6	Carriers shall insert on the CD their Web site link for providers to use to view the new fees. A statement/paragraph should be added to the CD advising the providers that the new fees are posted on the carrier Web site and not available on the CD.			X					
4051.7	<p>Carriers can use the following language on the CD and on their Web sites which explains in general why the fees are not being included on this year’s CD:</p> <p><i>CMS has decided not to place the 2006 fees on the CD-ROM this year in order to have greater flexibility for making any last minute changes to the 2006 payment rates. Placing the fees on the carrier Web site assures that providers will have the most current and correct fees available.</i></p>			X					

Requirement Number	Requirements	Responsibility (“X” indicates the columns that apply)								
		F I	R H H I	C a r r i e r	D M E R C	Shared System Maintainers				Other
						F I S S	M C S	V M S	C W F	
4051.8	Effective immediately, carriers shall update their Web site to educate physicians that the 2006 payment rates will not be included as part of the CD-ROM this year. See language provided above.			X						
4051.9	Effective immediately, carriers shall either stop or update any remittance advice message that specifically tells providers that the fees will be on the CD-ROM.			X						
4051.10	Effective immediately, carriers shall educate physicians via their Web site and whatever other provider outreach that can be utilized at this late date, that the fees will be placed on the carrier Web site after the 2006 physician fee schedule regulation is put on display.			X						
4051.11	Carriers shall insert their Web site address for providers to use to access the 2006 payment rates in the space available at the end of the Participation Announcement sheet.			X						
4051.12	Carriers shall insert their carrier-specific information (i.e., toll-free telephone numbers, etc.) in the blank lines as indicated at the end of the Participation Announcement sheet.			X						
4051.13	Carriers shall inform providers via their listserv when the 2006 fees are posted to their Web site.			X						
4051.14	Carriers shall produce hard copy disclosures for providers who do not have Internet access or do not have the capability to access the CD-ROM. NOTE: Carriers have the discretion to produce more than 2 percent hardcopy if needed.			X						

Requirement Number	Requirements	Responsibility (“X” indicates the columns that apply)								
		F I	R H H I	C a r r i e r	D M E R C	Shared System Maintainers				Other
						F I S S	M C S	V M S	C W F	
4051.15	Carriers shall not charge physicians requesting hard copy disclosures who do not have Internet access or do not have the capability to access the CD ROM.			X						
4051.16	Carriers shall include the Special Edition Medlearn Matters Article that will be sent to them via a joint signature memorandum on the CD as long as the article is received by the carriers’ deadline for getting information to the vendor for replication.			X						
4051.17	Mail participation enrollment materials via first class or equivalent delivery service, and schedule the release of these materials so that providers receive it no later than November 15, 2005, but do not mail it before November 9, 2005.			X						
4051.18	<p>The MPFSDB will contain the CY 2006 fee schedule amounts. Carriers shall include fee amounts for procedure codes with status indicators of A, T, and R (if Relative Value Units (RVUs) have been established by CMS). The following two statements must be included on the fee disclosure reports:</p> <p>“All Current Procedural Terminology (CPT) codes and descriptors are copyrighted by the American Medical Association.”</p> <p>“These amounts apply when service is performed in a facility setting.” (This statement should be made applicable to those services subject to a differential based on place of service.)</p>			X						

Requirement Number	Requirements	Responsibility (“X” indicates the columns that apply)								
		F I	R H H I	C a r r i e r	D M E R C	Shared System Maintainers				Other
						F I S S	M C S	V M S	C W F	
4051.19	<p>If carriers choose to use code descriptors on their Web site, they must use the short descriptors contained in the Healthcare Common Procedure Coding System (HCPCS) file and the MPFSDB. If carriers find descriptor discrepancies between these two files, use the HCPCS file short descriptor.</p> <p>NOTE: The CMS has signed agreements with the American Medical Association regarding use of CPT, and the American Dental Association regarding use of Current Dental Terminology (CDT), on Medicare contractor Web sites, CD-ROMs, bulletin boards, and other electronic communications (refer to the IOM Publication 100-4, chapter 23, section 20.7).</p>			X						
4051.20	Carriers shall process participation elections and withdraws post-marked before January 1, 2006.			X						
4051.21	Carriers shall not print hardcopy participation directories (i.e., MEDPARDs) for CY 2006 without regional office prior authorization and advanced approved funding for this purpose. Supplemental budget requests (SBRs) for CY 2006 MEDPARD directories will not be approved.			X						
4051.22	If carriers receive inquiries from a customer who does not have access to the carrier Web site, ascertain the nature and scope of each request and furnish the desired MEDPARD participation information via phone or letter.			X						
4051.23	Carriers shall load their local MEDPARD information for physicians, non-physician practitioners and suppliers on their Web site by the end of January.			X						

Requirement Number	Requirements	Responsibility (“X” indicates the columns that apply)							
		F I	R H H I	C a r r i e r	D M E R C	Shared System Maintainers			
F I S S	M C S					V M S	C W F		
4051.24	Carriers shall notify providers via regularly scheduled newsletters as to the availability of the MEDPARD information and how to access it electronically.			X					
4051.25	Carriers shall also inform hospitals and other organizations (i.e., Social Security offices, area Administration on Aging offices, and other beneficiary advocacy organizations) how to access MEDPARD information on your Web site.			X					

III. PROVIDER EDUCATION

Requirement Number	Requirements	Responsibility (“X” indicates the columns that apply)							
		F I	R H H I	C a r r i e r	D M E R C	Shared System Maintainers			
F I S S	M C S					V M S	C W F		
4051.26	None. A Medlearn Matters Article related directly to this change request is <u>not</u> needed. Mailing the entire participation enrollment materials (except the fees) on the CD-ROM and posting of the MEDPARD information is considered provider education. Carriers shall follow the instructions regarding the dates for releasing/ mailing these materials that are contained in this Recurring Update Notification.			X					

IV. SUPPORTING INFORMATION AND POSSIBLE DESIGN CONSIDERATIONS

A. Other Instructions: N/A

X-Ref Requirement #	Instructions

B. Design Considerations: N/A

X-Ref Requirement #	Recommendation for Medicare System Requirements

C. Interfaces: N/A

D. Contractor Financial Reporting /Workload Impact: N/A

E. Dependencies: This Recurring Update Notification is dependent upon the release of the Physician Fee Schedule regulation.

F. Testing Considerations: N/A

V. SCHEDULE, CONTACTS, AND FUNDING

<p>Effective Date*: October 28, 2005</p> <p>Implementation Date: November 9, 2005</p> <p>Pre-Implementation Contact(s): April Billingsley, (410) 786-0140, april.billingsley@cms.hhs.gov and Kathy Kersell, (410) 786-2033, kathleen.kersell@cms.hhs.gov;</p> <p>Post-Implementation Contact(s): Appropriate regional office.</p>	<p>Funding for implementation activities will be provided to contractors through the regular budget process.</p>
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***Unless otherwise specified, the effective date is the date of service.**

2 Attachments: Participation Announcement; and Blank Participation Agreement.



Announcement

About Medicare Participation for Calendar Year 2006

Your commitment and participation in the Medicare program provides a lifeline to millions of seniors, disabled, and individuals with end-stage renal disease.

Medicare continues to evolve in many important new ways in 2006. One of the most significant is that Medicare Prescription Drug Coverage will be available to all people with Medicare beginning January 1, 2006. Therefore, for the first time, Medicare will pay for most of the drugs many of your patients rely on everyday.

The 2006 physician fee schedule currently includes a negative 4.4 percent update. The reduction in the fee schedule rates results from a formula specified in Medicare law to account for the continued rapid spending growth in total Medicare physician spending. However, CMS is working closely and collaboratively with medical professionals and the Congress to consider changes to how Medicare compensates physicians for providing services to Medicare beneficiaries. At the same time, and as a growing number of stakeholders now agree, we must increase our emphasis on payment based on improving quality and avoiding unnecessary costs to solve the problems with the current physician payment system.

All physicians, practitioners and suppliers must make their calendar year (CY) 2006 Medicare participation decision by December 31, 2005.

To sign a participation agreement is to agree to accept assignment for all covered services that you provide to Medicare patients in CY 2006.

WHY PARTICIPATE?

If you bill for physicians' professional services, services and supplies provided incident to physicians' professional services, outpatient physical and occupational therapy services, diagnostic tests, or radiology services, your Medicare fee schedule amounts are 5 percent higher if you participate. Also, providers receive direct and timely reimbursement from Medicare.

Regardless of the Medicare Part B services for which you are billing, participants have "one stop" billing for beneficiaries who assign both their Medicare and Medigap payments to participants. Beneficiaries with Medigap coverage (private supplemental insurance) may assign the payment on the supplemental claim to the provider or supplier. Under the current mandatory Medigap (claim-based) crossover process, beneficiaries must assign payment on their claims to a participating provider or supplier as a condition for their claims to be forwarded to their Medigap insurer for payment of all coinsurance and deductible amounts due under the Medigap policy. The Medigap insurer, in turn,

must pay the participating provider or supplier directly, thereby relieving the need of having to file a second claim.

The majority of physicians, practitioners and suppliers have chosen to participate in Medicare. During CY 2005, 91.6 percent of all physicians, practitioners and suppliers are billing under Medicare participation agreements.

WHAT TO DO

If you choose to be a participant in CY 2006:

- Do nothing if you are currently participating, or
- If you are not currently a Medicare participant, complete the blank agreement enclosed and mail it (or a copy) to each carrier to which you submit Part B claims. (On the form show the name(s) and identification number(s) under which you bill.)

If you decide not to participate in CY 2006:

- Do nothing if you are currently not participating, or
- If you are currently a participant, write to each carrier to which you submit claims, advising of your termination effective January 1, 2006. This written notice must be postmarked prior to January 1, 2006.

Hold onto this announcement during this enrollment period. You may want to refer to it again before making your decision regarding Medicare participation for CY 2006.

We hope you will decide to be a Medicare participant in CY 2006.

Please call _____ if you have any questions or need further information on participation.

To view updates and the latest information about Medicare, or to obtain telephone numbers of the various carrier contacts including the carrier medical directors, please visit the CMS Web site at <http://www.cms.hhs.gov/>.

To view the new 2006 physician fee schedule please visit your local carrier Web site, (insert local carrier Web site).

For (carrier name), you may contact the following toll-free number(s) for assistance:

MEDICARE
PARTICIPATING PHYSICIAN OR SUPPLIER AGREEMENT

Name(s) and Address of Participant*

**Physician or Supplier
Identification Code(s)***

The above named person or organization, called "the participant," hereby enters into an agreement with the Medicare program to accept assignment of the Medicare Part B payment for all services for which the participant is eligible to accept assignment under the Medicare law and regulations and which are furnished while this agreement is in effect.

1. Meaning of Assignment - For purposes of this agreement, accepting assignment of the Medicare Part B payment means requesting direct Part B payment from the Medicare program. Under an assignment, the approved charge, determined by the Medicare carrier, shall be the full charge for the service covered under Part B. The participant shall not collect from the beneficiary or other person or organization for covered services more than the applicable deductible and coinsurance.

2. Effective Date - If the participant files the agreement with any Medicare carrier during the enrollment period, the agreement becomes effective _____.

3. Term and Termination of Agreement - This agreement shall continue in effect through December 31 following the date the agreement becomes effective and shall be renewed automatically for each 12-month period January 1 through December 31 thereafter unless one of the following occurs:

a. During the enrollment period provided near the end of any calendar year, the participant notifies in writing every Medicare carrier with whom the participant has filed the agreement or a copy of the agreement that the participant wishes to terminate the agreement at the end of the current term. In the event such notification is mailed or delivered during the enrollment period provided near the end of any calendar year, the agreement shall end on December 31 of that year.

b. The Centers for Medicare & Medicaid Services may find, after notice to and opportunity for a hearing for the participant, that the participant has substantially failed to comply with the agreement. In the event such a finding is made, the Centers for Medicare & Medicaid Services will notify the participant in writing that the agreement will be terminated at a time designated in the notice. Civil and criminal penalties may also be imposed for violation of the agreement.

Signature of participant
(or authorized representative
of participating organization)

Title
(if signer is authorized
representative of organization)

Date

(including area code)
Office phone number

*List all names and identification codes under which the participant files claims with the carrier with whom this agreement is being filed.

Received by
(name of carrier)

Effective date

Initials of carrier official

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0938-0373. The time required to complete this information collection is estimated to average 15 minutes per response, including the time to review instructions, search existing data resources, gather the data needed and complete and review the information collection. If you have any comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: CMS, 7500 Security Boulevard, N2-14-26, Baltimore, Maryland 21244-1850 and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington D.C. 20503.