

Part B Insider (Multispecialty) Coding Alert

Physician Notes: If Your Area's Deprived Enough, You Could Reap 15 Percent Bonus

But shortage areas may not overlap

Rural doctors could gain as much as 15 percent extra on their Medicare reimbursement next year. From January 2005 until the end of 2007, Medicare will pay an extra 5 percent to physicians working in Physician Shortage Areas (PSAs) on top of the 10 percent bonus physicians may be receiving if they work in Health Professional Shortage Areas (HPSAs), according to the proposed physician fee schedule for 2005. The two designations aren't exactly the same, so some docs may receive just the PSA bonus or just the HPSA bonus, but some may receive the full 15 percent.

Physician shortage areas are determined by looking at the ratio of Medicare beneficiaries to primary care docs, and also to specialty care docs. Areas will mostly be determined by zip code, and payments will be based on the location where service is provided.

Also, many physicians will no longer be required to use a special modifier to identify themselves as HPSA doctors. Instead, the **Centers for Medicare & Medicaid Services** will identify these doctors automatically. But where this isn't possible, CMS will post a list of HPSAs on its Web site so affected doctors can continue to bill modifiers.

1. **The Medicare Modernization Act added a payment for a physician employed by a hospice** to counsel a terminal patient who hasn't yet chosen hospice about his or her hospice options. The physician must be a hospice staffer, and non-physicians can't perform this service. CMS is creating a new G-code for this service, which will have the same work and malpractice RVUs as [CPT code 99203](#).
2. **Your physician may be seeing more patients face to face when they require durable medical equipment**, because the MMA requires docs to examine patients before they receive DME. And CMS proposes to add prosthetics, orthotics and supplies items to the roster requiring a physician visit. The doctor's order must be signed within 30 days after the visit.
3. **CMS is eliminating restrictions on coverage for low osmolar contrast material** (A4644-A4646), which will now be covered even if a patient lacks a history of previous adverse reactions to contrast material, pulmonary hypertension, sickle cell disease or other factors. LOCM will be paid for on the basis of average sales price plus 6 percent.
4. **CMS reversed a prior decision and said encounters with ESRD patients** in an outpatient observation setting would count toward the total for monthly capitated payments, at the prompting of the **Renal Physicians Association**.