

Part B Insider (Multispecialty) Coding Alert

READER QUESTION: Avoid AQ Modifier If Your ZIP Code Is Included in Medicare's Annual Automated File

Your MAC will make your health professional shortage area bonus automatically if you're in the database.

Question: I'm confused about whether to apply modifier AQ on my claims that qualify for HPSA payments. If our ZIP code is in the health professional shortage area (HPSA) annual file, do I need to use the modifier, or should we leave it off of our claims for these services?

Answer: If your ZIP code is included in Medicare's annual file for automated HPSA bonus payment, you should not append modifier AQ (Physician providing a service in an unlisted health professional shortage area) to your claims. Your Medicare contractor will make the bonus payment automatically.

Background: The Social Security Act provides for an additional 10 percent bonus payment for physicians' services furnished in a year to a covered individual in an area that is designated as a geographic HPSA, as identified by Medicare prior to the beginning of such year. CMS posts a file annually of ZIP codes where the HPSA bonus payment should be made automatically.

When to use AQ: Effective since Jan. 1, 2009, coders in areas "eligible on December 31 of the prior year for the HPSA bonus but not on the automated ZIP code list" should use modifier AQ to receive the HPSA bonus, according to MLN Matters article MM6106.

Important: If you perform a service in an area designated as a HPSA during the current year, you will not be eligible for the HPSA bonus payment until the following year, as long as the area is still designated as a HPSA as of Dec. 31, the article indicates. You can view the full text of the MLN Matters article at www.cms.hhs.gov/mlnmattersarticles/downloads/MM6106.pdf.