

Incentive payments for operations furnished in HPSAs

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Section 5501(b) of the Affordable Care Act (ACA) authorizes a Medicare incentive payment program for major surgical procedures provided by general surgeons in Health Professional Shortage Areas (HPSAs). This article summarizes this new initiative, called the HPSA Surgical Incentive Payment (HSIP) program.

What is the HSIP Program?

The HSIP program applies to major operations, defined as 10-day and 90-day global procedures, provided on or after January 1, 2011, and before January 1, 2016, by a general surgeon in an area designated as a HPSA. “General surgeons” are defined as surgeons who are enrolled in Medicare with a primary specialty code of 02 (General Surgery) identified by his or her National Provider Identifier (NPI).

To qualify for the bonus, the operation itself must be performed in a HPSA. For example, a physician office visit in a HPSA or the provision of any service other than the major operation in the HPSA will not be eligible for the HSIP bonus (although non-major surgical services provided in a HPSA could qualify for the HPSA physician bonus, a separate incentive program which is described later in this article).

How much is the bonus amount and when will I receive it?

The HSIP applies an additional 10 percent of the payment for physicians’ professional services under Medicare Part B for major surgical procedures performed in a HPSA. Medicare contractors will compute the reimbursement total and pay general surgeons an additional 10 percent of the amount actually paid for the service, not of the Medicare approved payment amount. Claim adjustment reason code “LE” will identify the incentive payment as noted on the special remit-

The HSIP Program – At a glance

- Applies to major operations (defined as 10-day and 90-day global procedures)
- Provided by a surgeon who is enrolled in Medicare with primary specialty code of 02 (General Surgery)
- Provided in a geographic HPSA
- Provided between January 1, 2011, and January 1, 2016
- Bonus payment amount is 10 percent of amount actually paid for service

Abbreviations and acronyms used in this article

ACA	Affordable Care Act
CMS	Centers for Medicare & Medicaid Services
HPSAs	Health Professional Shortage Areas
HSIP	HPSA surgical incentive payment
NPI	National provider identifier

tance generated with the incentive payment. The ACA provides for payments to be made quarterly.

I am already receiving the HPSA physician bonus. Can I receive both the current HPSA physician bonus and the HSIP bonus for major surgical procedures performed in a HPSA?

Yes. The HSIP bonus payment is an additional bonus for major surgical procedures, without regard to other Medicare incentive payments. Before the implementation of the HSIP bonus payment, the Centers for Medicare & Medicaid Services (CMS) implemented the HPSA physician bonus. The HPSA physician bonus provides a 10 percent bonus payment to all physicians who furnish health care services in areas that are designated as geographic primary care HPSAs.

In addition, psychiatrists furnishing services in geographic mental health HPSAs are also eligible for 10 percent bonus payments on such services. On the other hand, the new HSIP bonus payment provides an additional 10 percent for major surgical procedures performed in a geographic primary care or mental health HPSA. This provision means a general surgeon may receive a 10 percent HPSA physician bonus payment under the already established Medicare HPSA physician bonus program, in addition to a HSIP 10 percent bonus under the new HSIP program that started on January 1, 2010.

What do I have to do to receive the HSIP bonus?

The following steps can help physicians determine whether they are eligible for the HSIP bonus and, if so, how to receive the bonus from CMS:

1. *Determine whether the physician provides services in a HPSA.* The HSIP bonus payment only applies to major operations performed in primary care or mental health geographic HPSAs. To find out if a physician practices in a primary care or mental health geographic HPSA, go to <http://datawarehouse.hrsa.gov/GeoAdvisor/ShortageDesignationAdvisor.aspx>.

Note: The major operation must be performed in a primary care or mental health geographic HPSA. Other types of HPSAs also exist, namely population group and facility-based HPSAs, but only primary care and mental health geographic HPSAs are used to determine eligibility for the HSIP bonus payment.

2. *Determine whether the physician already receives automatic payment under the HPSA physician bonus program.* Each year, CMS publishes a list of zip codes for automatic payment of the HPSA physician bonus payment at http://www.cms.gov/HPSAPSAPhysicianBonuses/01_overview.asp. CMS will use this same list of zip codes for automatic payment of the HSIP incentive payment.

- If the physician provides services in a zip code that is listed for automatic payment, then no further action is required. The physician is already receiving the previously established HPSA bonus payment, and will automatically receive the new HSIP program's additional 10 percent

bonus on major surgical procedures performed in a zip code listed at the CMS website above.

- If a physician provides services in an area that is not on the list of zip codes for automatic payment, yet has been designated as a HPSA by December 31 of the preceding calendar year, he or she should append modifier "AQ" to the Medicare claim for major operations performed in that HPSA. These areas are often in zip codes that are only partially designated as HPSAs, such as zip codes that partially include urban areas. In these cases, the entire zip code cannot be eligible for automatic payment, but major surgical procedures provided in the HPSA portion of the zip code are still eligible for the 10 percent HSIP bonus (in addition to the HPSA bonus payment). The use of the AQ modifier is consistent with the current process for payment of the original HPSA physician bonus when the HPSA is not located in a zip code identified for automatic payment.

Note: Do not append the AQ modifier to claims for major surgical procedures performed in a zip code eligible for automatic payment. Based on a conversation that the American College of Surgeons (ACS) regulatory staff had with a representative from CMS, adding the AQ modifier to such claims will disrupt the automatic payment process and will cause a delay in reimbursement.

In addition, if the claim is submitted by a physician group or practice, the NPI of the physician who provided the major surgical procedure must be included on the line-item for the major surgical procedure in order for a determination to be

continued on page 58

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