

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
Centers for Medicare & Medicaid Services



**News Flash** – Providers will need to use ICD-10 diagnosis and inpatient procedure codes starting on October 1, 2013. In preparation for ICD-10, starting January 1, 2012, all practice management and other applicable software programs should feature the updated Version 5010 HIPAA transaction standards. Make sure your claims continue to get paid. Talk with your software vendor, clearinghouse, or billing service NOW, and work together to make sure you'll have what you need to be ready. A successful transition to ICD-10 will be vital to transforming our nation's health care system. Visit <http://www.cms.gov/ICD10> to find out how CMS can help prepare you for a smooth transition to Version 5010 and ICD-10.

MLN Matters® Number: MM7208 **Revised**

Related Change Request (CR) #: 7208

Related CR Release Date: March 28, 2011

Effective Date: January 1, 2011

Related CR Transmittal #: R2186CP

Implementation Date: April 4, 2011

### **Waiver of Coinsurance and Deductible for Preventive Services for Rural Health Clinics (RHCs), Section 4104 of the Affordable Care Act**

**Note:** This article was revised on March 30, 2011, to reflect a revised CR 7208 issued on that date. The CR release date, transmittal number and Web address for accessing CR 7208 were revised. In addition, reference to attachment A of CR7208 was replaced with a link to CR7012 for a list of preventive services HCPCS codes. All other information remains the same.

#### **Provider Types Affected**

Rural Health Clinics (RHCs) that submit claims to Fiscal Intermediaries (FIs) and Part A/B Medicare Administrative Contractors (MACs) for services rendered to Medicare beneficiaries are affected.

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## What You Need to Know

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This article, based on Change Request (CR) 7208, explains how RHCs should bill for certain preventive services under the Affordable Care Act. You should make sure that your billing staffs are aware of this change.

Effective for dates of service on or after January 1, 2011, coinsurance and deductible are not applicable for the Initial Preventive Physical Examination (IPPE), the annual wellness visit, and other Medicare covered preventive services provided by RHCs. However, to ensure coinsurance and deductible are not applied, you must provide detailed Healthcare Common Procedure Coding System (HCPCS) coding for preventive services recommended by the United States Preventive Services Task Force (USPSTF) with a grade of A or B.

The Affordable Care Act also waives the deductible for planned colorectal cancer screening tests that become diagnostic.

## Background

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Provisions of the Affordable Care Act waive coinsurance and deductible for the IPPE, the annual wellness visit, and other Medicare covered preventive services recommended by the USPSTF with a grade of A or B. Detailed HCPCS coding is required to ensure that coinsurance and deductible are not applied to these preventive services when submitted by RHCs on a 71X type of bill with dates of service on or after January 1, 2011.

Payment for the professional component of allowable preventive services is made under the all-inclusive rate when all of the program requirements are met. When one or more preventive service that meets the specified criteria is provided as part of an RHC visit, charges for these services must be deducted from the total charge for purposes of calculating beneficiary copayments and deductibles. For example, if the total charge for the visit is \$150, and \$50 of that is for a qualified preventive service, the beneficiary copayment and deductible is based on \$100 of the total charge. If no other RHC service took place along with the preventive service, there would be no copayment or deductible applied.

**Note: Although the Medicare system changes are not being implemented until April 4, 2011, providers shall begin submitting detailed HCPCS code reporting for preventive services starting January 1, 2011 as indicated above.**

## Additional Information

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The official instruction, CR 7208, issued to your FI or A/B MAC regarding this change, may be viewed at <http://www.cms.gov/Transmittals/downloads/R2186CP.pdf> on the CMS website. A list of the current HCPCS codes defined as preventive services under Medicare and the HCPCS codes for the IPPE and the annual wellness visit is

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in CR7012 at <http://www.cms.gov/Transmittals/downloads/R864OTN.pdf> on the CMS website. If you have any questions, please contact your FI or A/B MAC at their toll-free number, which may be found at <http://www.cms.gov/MLNProducts/downloads/CallCenterTollNumDirectory.zip> on the CMS website.

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