

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
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MEDICARE PLAN PAYMENT GROUP

DATE: May 18, 2015

TO: All Medicare Advantage Organizations and PACE Organizations

FROM: Cheri Rice /s/
Director, Medicare Plan Payment Group

SUBJECT: **Primary Care Incentive Payment Eligibility File - 2015**

This memo provides information on the Primary Care Incentive Payment (PCIP) Program. It is for use in situations when a Medicare Advantage Organization (MAO) is required to pay at least the original Medicare rate for out of network services.

Primary Care Incentive Payments

Section 5501(a) of the Affordable Care Act revised section 1833 of the Social Security Act by adding paragraph (x), Incentive Payments for Primary Care Services. Section 1833(x) states that that, in the case of primary care services furnished by a primary care practitioner on or after January 1, 2011 and before January 1, 2016, there also shall be paid on at least a quarterly basis an amount equal to 10 percent of the payment amount for such services under Part B. More information about the PCIP can be found in the following articles:

<http://www.cms.gov/MLN MattersArticles/downloads/MM7060.pdf>

<http://www.cms.gov/MLN MattersArticles/downloads/MM7561.pdf>

PCIP and Medicare Advantage

When an MAO does not have an existing contract in place governing payment amounts, a provider is entitled to Fee-For-Service (FFS) rates with respect to any Part A or Part B services it provides to an MA enrollee. The requirement is for an MAO to pay non-contracted providers (including providers who are “deemed” to be contracting under Private Fee-For-Service (PFFS) plans) the original Medicare payment amount. Therefore, an MAO is required to make PCIP payments to non-contracted providers who qualify for these payments under original Medicare. This includes eligible professionals who do not participate in the Medicare FFS program.

An MAO is required to make a PCIP payment to providers for services delivered in 2015 when all of the following conditions are met:

- The MAO does not have an existing contract with the provider;
- The provider treats an MA enrollee out of network; and
- The provider qualifies for PCIP payment under original Medicare (i.e., the provider is an eligible professional).

Eligible Professional

An eligible professional includes providers who have a primary specialty designation of Family Medicine, Internal Medicine, Geriatric Medicine, Pediatric Medicine, Nurse Practitioner, Clinical Nurse Specialist, or Physician Assistant, and for whom primary care services accounted for at least 60 percent of their allowed charges under the Physician Fee Schedule (PFS) in the qualifying year.

How to Calculate the PCIP Payment

An MAO calculates the incentive bonus payment using the same formula as original Medicare. Under original Medicare, the PCIP payment is calculated as 10 percent of Medicare's payment for primary care services under the PFS. Medicare pays 80 percent of the PFS Allowed Charges for primary care services. The formula used to calculate the PCIP payment for non-contract services provided in 2015 is:

- $\text{PCIP Payment}_{2015} = 80 \text{ percent of Medicare PFS Allowed Charges for Primary Care Services}_{2015} * .10$

An MAO is required to make PCIP payments to non-contracted providers unless the total amount owed is less than one dollar.

Notification & Timeline for PCIP Payments

CMS expects MA organizations to include an explanation to providers when making PCIP payments. This allows provider to track the source and reason for the payment. MAOs must make PCIP payments on at least a quarterly basis.

File Access and Description

A list of providers eligible for PCIP payment is now available for calendar year 2015. CMS determines whether a provider is eligible for a PCIP payment based on claims reported in the 2013 program year. The eligibility file lists the National Provider Identification (NPI) number for each eligible provider who qualifies for the PCIP bonus in 2015.

A registered HPMS user can visit the Data Extract Facility from the Home Page of HPMS. There will be a link entitled "Incentive Payments" on the left navigation bar, and then the user can select to download the file under "PCIP." Due to the sensitivity of some of the information in the file, only your Medicare Compliance Officer will be able to access and download it.

The file includes one field.

- National Provider Identification (NPI), text format

Since the file contains 224,835 rows, Excel 2007 or a newer version is needed to extract data from the file.

Additional Information

If you have any questions about the guidance in the memorandum, please contact Sean O'Grady at Sean.OGrady@cms.hhs.gov.