



HEALTH PROFESSIONAL SHORTAGE AREA PHYSICIAN BONUS PROGRAM



Target Audience: Medicare Fee-For-Service Program (also known as Original Medicare)

The Hyperlink Table, at the end of this document, provides the complete URL for each hyperlink.

This publication provides information about the Medicare Health Professional Shortage Area (HPSA) Physician Bonus Program.

When “you” is used in this publication, we are referring to physicians.

OVERVIEW

HPSAs are geographic areas, or populations within geographic areas, that lack sufficient health care providers to meet the health care needs of the area or population. HPSAs identify areas of greater need throughout the United States (U.S.) so that limited resources can go to those areas. The Health Resources and Services Administration (HRSA) designates areas as HPSAs based on census tracts, townships, or counties. Designations are made for primary care and mental health. The Medicare HPSA Physician Bonus Program includes only geographic primary care and mental health HPSAs.

The Centers for Medicare & Medicaid Services (CMS) provides a 10 percent bonus payment when you furnish Medicare-covered services to beneficiaries in a geographic HPSA. The bonus is paid quarterly and is based on the amount paid for professional services.

When you furnish services to Medicare beneficiaries in areas designated as primary care geographic HPSAs by HRSA as of December 31 of the prior year, you are eligible for the Medicare HPSA bonus during the current year. If an area does not have a geographic primary care HPSA designation but has a geographic mental health HPSA designation, only psychiatrists who furnish services to Medicare beneficiaries in the designated area are eligible for the 10 percent bonus. If an area has both a primary care and a mental health geographic HPSA designation, only one HPSA bonus will be paid.

The [HRSA Shortage Designation](#) webpage provides information about primary medical care and mental health HPSA designation criteria and guidelines.

Physicians (including psychiatrists) who furnish care in a Critical Access Hospital (CAH) located within a geographic-based, primary care HPSA and psychiatrists who furnish care in a CAH located in a geographic-based mental health HPSA are eligible for a 10 percent HPSA bonus payment for outpatient professional services furnished to a Medicare beneficiary. If you reassigned your billing rights and the CAH elected the Optional Payment Method, the CAH will receive 115 percent of the otherwise applicable Medicare Physician Fee Schedule amount multiplied by 110 percent, based on all claims processed during the quarter.

For more information about CAH billing, refer to [Chapter 4 of the Medicare Claims Processing Manual](#).

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PAYMENT

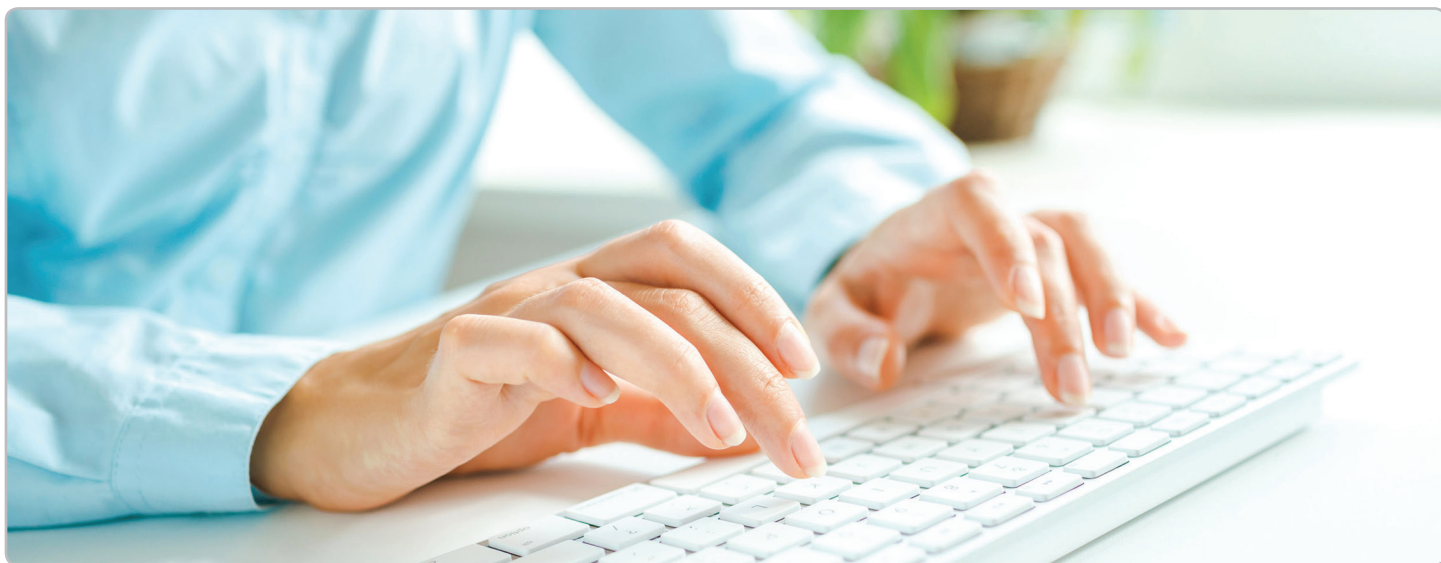
When you furnish services to Medicare beneficiaries in a ZIP code on the list of ZIP codes eligible for automatic HPSA bonus payment, the HPSA physician bonus payment is made automatically. This list is updated annually and is effective for services furnished on and after January 1 of each calendar year.

If you furnish services to Medicare beneficiaries in a geographic HPSA that is not on the list of ZIP codes eligible for automatic payment, you must use the AQ modifier, "Physician providing a service in an unlisted Health Professional Shortage Area (HPSA)," on the claim to receive the bonus payment. Services submitted with the AQ modifier are subject to validation by Medicare. You must ensure that you use the modifier only for services provided to a Medicare beneficiary in an area designated as a geographic primary care HPSA (or a mental health geographic HPSA for psychiatrists) as of December 31 of the prior year.

An area may be eligible for the HPSA bonus payment but the ZIP code may not be on the list because:

1. It does not fall entirely within a designated full county HPSA bonus area
2. It is not considered to fall within the county based on a determination of dominance made by the U.S. Postal Service
3. It is partially within a non-full county HPSA or
4. Services are provided in a ZIP code area not included in the automated file of HPSA areas based on the date of the data used to create the file

For ZIP codes that are not on the automated payment list, visit [HRSA Medicare Physician Bonus Payment Eligibility Analyzer](#) for assistance in determining whether an area is in a geographic-based primary care or mental health HPSA.



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RESOURCES

HPSA Physician Bonus Program Resources

For More Information About...	Resource
HPSA Physician Bonus Program	Chapter 12 of the Medicare Claims Processing Manual CMS.gov/Medicare/Medicare-Fee-for-Service-Payment/HPSAPSAPhysicianBonuses
All Available Medicare Learning Network® Products	MLN Catalog
Medicare Information for Beneficiaries	Medicare.gov

Hyperlink Table

Embedded Hyperlink	Complete URL
HRSA Shortage Designation	https://bhw.hrsa.gov/shortage-designation
Chapter 4 of the Medicare Claims Processing Manual	https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/clm104c04.pdf
HRSA Medicare Physician Bonus Payment Eligibility Analyzer	https://datawarehouse.hrsa.gov/tools/analyzers/geo/Medicare.aspx
Chapter 12 of the Medicare Claims Processing Manual	https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/clm104c12.pdf
MLN Catalog	https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/Downloads/MLNCatalog.pdf

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