

New TRICARE Bonus Payment Designation: Physician Scarcity Areas

A new bonus payment designation has been created for primary care physicians and other specialists in medically underserved areas. The Physician Scarcity Area (PSA) designation was created by Medicare as a refinement of the previously established health professional shortage areas (HPSA).

Providers in medically underserved areas that qualify are eligible for a bonus that exceeds the amount normally paid under TRICARE. These areas are designated by the Secretary of Health and Human Services for the Medicare program. HPSAs include both primary care and behavioral health identified areas. PSAs include both primary care and specialty identified areas.

Effective January 1, 2005, the PSA bonus payment is 5 percent of the amount paid by TRICARE to primary care physicians (general practitioners, family physicians, internists and OB/GYNs) in PSAs. The PSA bonus payment does not apply to oral surgeons (dentists), podiatrists, and optometrists. When services include both a professional and technical component, only the professional component will be included when calculating the bonus payment.

Depending on the areas, the bonus shall be calculated based on 10 percent or 5 percent of the amount actually paid to a physician during a calendar quarter for services rendered in a medically underserved area. In order to receive the HPSA bonus payment, the physician must put a QU modifier on the claim for services rendered in an urban HPSA and a QB modifier for a rural HPSA. To receive the PSA bonus, the physician must put an AR modifier on the claim for services rendered in a PSA.

TriWest will add all claim payments that qualify for the quarter and pay an additional 10 percent for the QB and QU modifier claims and an additional 5 percent for the AR modifier claims. An overlapping of a HSPA and a PSA can occur. When this happens, only one HPSA bonus and one PSA bonus can be paid – a maximum 15 percent bonus.

Some other key points:

- The bonus payment is based on where the service is rendered (not on the address of the beneficiary) and must be within a medically underserved area as defined by TRICARE.
- Bonus payments are paid on a quarterly basis, not with each claim. In addition, the bonus will be based on what TRICARE actually paid, not on the TRICARE-approved payment amount.
- A PSA bonus will be paid on services rendered from January 1, 2005 through December 31, 2007.
- Services submitted with the AR modifier will be subject to validation by TriWest.
- There are no retroactive payments, adjustment or appeals for obtaining a bonus payment.

The already established HPSA bonus payment is 10 percent of the amount actually paid on a TRICARE claim, including instances where TRICARE is the secondary payer. The additional reimbursement applies to claims for services rendered on or after June 1, 2003.

The HPSA bonus payment initially only applied to physician services rendered in HPSAs, effective September 1, 2003, payment also applies to podiatrists, oral surgeons, and optometrists. Additionally, as of July 1, 2004, bonus payments could be paid to psychiatrists for behavioral health services rendered in mental health shortage areas. This change would only affect psychiatrists furnishing services in mental health HPSAs that do not overlap with primary care HPSAs.

To determine your eligibility for a bonus payment or for more information on HPSA/PSA designations and modifier usage, please visit www.cms.hhs.gov/providers/bonuspayment or refer to the TRICARE website at www.tricare.osd.mil/. For more information, providers may also call 1-888-TRIWEST (1-888-874-9378).