CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-20 One-Time Notification	Centers for Medicare & Medicaid Services (CMS)
Transmittal 995	**Date: November 4, 2011**
	Change Request 7442

NOTE: This Transmittal is no longer sensitive and is being re-communicated December 23, 2011. The Transmittal Number, Date Issued and all other information remain the same. This instruction may now be posted to the Internet.

SUBJECT: Multiple Procedure Payment Reduction (MPPR) on Certain Diagnostic Imaging Procedures

I. SUMMARY OF CHANGES: Section 3134 of the Affordable Care Act (ACA) added section 1848(c)(2)(K) of the Social Security Act which specifies that the Secretary shall identify potentially misvalued codes by examining multiple codes that are frequently billed in conjunction with furnishing a single service. As a further step in implementing this provision, Medicare is making a change to the multiple procedure payment reduction (MPPR) on the TC of certain diagnostic imaging procedures. Specifically, we are applying the MPPR to professional component (PC) services as well as to TC services.

EFFECTIVE DATE: January 1, 2012
IMPLEMENTATION DATE: January 3, 2012

Disclaimer for manual changes only: The revision date and transmittal number apply only to red italicized material. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.

II. CHANGES IN MANUAL INSTRUCTIONS: (N/A if manual is not updated)
R=REVISED, N=NEW, D=DELETED-*Only One Per Row.*

R/N/D	CHAPTER / SECTION / SUBSECTION / TITLE
N/A	n/a

III. FUNDING:
For Fiscal Intermediaries (FIs), Regional Home Health Intermediaries (RHHIs) and/or Carriers:
No additional funding will be provided by CMS; Contractor activities are to be carried out within their operating budgets.

For Medicare Administrative Contractors (MACs):
The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

IV. ATTACHMENTS:

One-Time Notification

**Unless otherwise specified, the effective date is the date of service.*

Attachment – One-Time Notification

Pub. 100-20	Transmittal: 961	Date: November 4, 2011	Change Request: 7442

NOTE: This Transmittal is no longer sensitive and is being re-communicated December 23, 2011. The Transmittal Number, Date Issued and all other information remain the same. This instruction may now be posted to the Internet.

SUBJECT: Multiple Procedure Payment Reduction (MPPR) on Certain Diagnostic Imaging Procedures

Effective Date: January 1, 2012
Implementation Date: January 3, 2012

I. GENERAL INFORMATION

A. Background: Section 3134 of the Affordable Care Act (ACA) added section 1848(c)(2)(K) of the Social Security Act which specifies that the Secretary shall identify potentially misvalued codes by examining multiple codes that are frequently billed in conjunction with furnishing a single service. As a further step in implementing this provision, Medicare is making a change to the multiple procedure payment reduction (MPPR) on the TC of certain diagnostic imaging procedures. Specifically, we are applying the MPPR to professional component (PC) services as well as to TC services. The proposal will be discussed in future rulemaking. ***This advanced notice is provided so contractors can begin making the necessary systems changes for the policy to go in effect January 1, 2012.***

B. Policy: The MPPR on diagnostic imaging applies when multiple services are furnished by the same physician to the same patient in the same session on the same day. Currently, the MPPR on diagnostic imaging services applies only to technical component (TC) services. It applies to both TC-only services and to the TC portion of global services. Full payment is made for the service with the highest TC payment under the Medicare Physician Fee Schedule (MPFS). Payment is made at 50 percent for the TC of subsequent services furnished by the same physician to the same patient in the same session on the same day.

We are expanding the MPPR by applying it to professional component (PC) services. Full payment is made for each PC and TC service with the highest payment under the MPFS. Payment is made at 75 percent for subsequent PC services furnished by the same physician to the same patient in the same session on the same day. Payment is made at 50 percent for subsequent TC services furnished by the same physician to the same patient in the same session on the same day. The complete list of codes subject to the MPPR on diagnostic imaging is in Attachment 1. The individual PC and TC services with the highest payments under the MPFS of globally billed services must be determined in order to calculate the reduction. The current and proposed payments are summarized in the following example:

	Procedure 1	Procedure 2	Current Total Payment	Current Payment Calculation	Proposed Total Payment	Proposed Payment Calculation
PC	$68	$102	$170	No Reduction	$153	$102 + (.75 x $68)
TC	$476	$340	$646	$476 + (.50 x $340)	$646	$476 + (.50 x $340)
Global	$544	$442	$816	$170 + $476 + (.50 x $340)	$799	$102 + (.75 x $68) + $476 + (.50 x $340)

II. BUSINESS REQUIREMENTS TABLE

Use"Shall" to denote a mandatory requirement

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A/B MAC	DME MAC	FI	CARRIER	RHHI	Shared-System Maintainers: FISS	Shared-System Maintainers: MCS	Shared-System Maintainers: VMS	Shared-System Maintainers: CWF	OTHER
7442.1	For services on or after January 1, 2012, contractors shall apply the multiple procedure reduction to the fee on claims for all diagnostic imaging services with a multiple procedure indicator of "4" and a diagnostic imaging family indicator of "88" on the MPFSDB layout. The list of applicable procedures is in Table 1 (attached).	X			X			X			
7442.2	Contractors shall apply the reduction to applicable procedures billed on the same date of service, with the same National Provider Identifier (NPI), by the same rendering physicians to the same beneficiary.	X			X			X			
7442.3	Contractors shall determine the PC and TC service with the highest payment under the MPFS in order to calculate the reductions for globally billed services. The claim detail does not need to be split into two services.	X			X			X			
7442.4	Contractors shall continue to pay the full fee schedule amount for each PC service and each TC service with the highest payment under the MPFS.	X			X			X			
7442.5	Contractors shall pay 75 percent of the fee schedule amount for the PC of the 2nd highest payment under the MPFS and 75% for each additional PC service for the same date of service.	X			X			X			
7442.5.1	Contractors shall pay 50 percent of the fee schedule amount for the TC of the 2nd highest payment under the MPFS and 50% for each additional TC service for the same date of service.	X			X						
7442.5.2	Contractors shall use modifier 51 to identify reduced PC services and reduced global services, as is currently done for TC services.							X			
7442.5.3	For claims in which a multiple reduction has been applied, the contractors shall use the following messages: Medicare Summary Notice (MSN) 30.1 – The approved amount is based on a special payment method. Claim Adjustment Reason Code 59 – Processed based on multiple or concurrent procedure rules. (For example multiple surgery or diagnostic imaging, concurrent	X			X			X			

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A/B MAC	DME MAC	FI	CARRIER	RHHI	Shared-System Maintainers				OTHER
							FISS	MCS	VMS	CWF	
	anesthesia) Note: Refer to the 835 Healthcare Policy Identification Segment (loop 2110 Service Payment Information REF), if present. Group Code: CO (contractual obligation)										

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A/B MAC	DME MAC	FI	CARRIER	RHHI	Shared-System Maintainers				OTHER
							FISS	MCS	VMS	CWF	
7442.6	A provider education article related to this instruction will be available at http://www.cms.hhs.gov/MLNMattersArticles/ **when this CR is no longer Sensitive and Controversial**. You will receive notification of the article release via the established "MLN Matters" listserv. Contractors shall post this article, or a direct link to this article, on their Web site and include information about it in a listserv message within one week of the availability of the provider education article. In addition, the provider education article shall be included in your next regularly scheduled bulletin. Contractors are free to supplement MLN Matters articles with localized information that would benefit their provider community in billing and administering the Medicare program correctly.	X			X			X			

IV. SUPPORTING INFORMATION

Section A: N/A

Use "Should" to denote a recommendation.

X-Ref Requirement Number	Recommendations or other supporting information:

Section B: N/A

V. CONTACTS

Pre-Implementation Contact(s): Kenneth Marsalek for payment policy issues on 410-786- 4502, Kenneth.Marsalek@cms.hhs.gov; Yvette Cousar for Part B claims processing issues, on 410-786-2160 yvette.cousar@cms.hhs.gov; or Charles Campbell for MPFDB issues on 410-786-7209, charles.campbell@cms.hhs.gov

Post-Implementation Contact(s): Contact your Contracting Officer's Technical Representative (COTR) or Contractor Manager, as applicable.

VI. FUNDING

Section A: For *Fiscal Intermediaries (FIs), Regional Home Health Intermediaries (RHHIs):*

No additional funding will be provided by CMS; contractor activities are to be carried out within their operating budgets.

Section B: *For Medicare Administrative Contractors (MACs):*

The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

Attachment 1

Diagnostic Imaging Services Subject to the Multiple Procedure Payment Reduction	
CPT/HCPCS Code	**Short Descriptor**
70336	Magnetic image jaw joint
70450	Ct head/brain w/o dye
70460	Ct head/brain w/dye
70470	Ct head/brain w/o & w/dye
70480	Ct orbit/ear/fossa w/o dye
70481	Ct orbit/ear/fossa w/dye

70482	Ct orbit/ear/fossa w/o&w/dye
70486	Ct maxillofacial w/o dye
70487	Ct maxillofacial w/dye
70488	Ct maxillofacial w/o & w/dye
70490	Ct soft tissue neck w/o dye
70491	Ct soft tissue neck w/dye
70492	Ct sft tsue nck w/o & w/dye
70496	Ct angiography head
70498	Ct angiography neck
70540	Mri orbit/face/neck w/o dye
70542	Mri orbit/face/neck w/dye
70543	Mri orbt/fac/nck w/o & w/dye
70544	Mr angiography head w/o dye
70545	Mr angiography head w/dye
70546	Mr angiograph head w/o&w/dye
70547	Mr angiography neck w/o dye
70548	Mr angiography neck w/dye
70549	Mr angiograph neck w/o&w/dye
70551	Mri brain w/o dye
70552	Mri brain w/dye
70553	Mri brain w/o & w/dye
70554	Fmri brain by tech
71250	Ct thorax w/o dye
71260	Ct thorax w/dye
71270	Ct thorax w/o & w/dye
71275	Ct angiography, chest
71550	Mri chest w/o dye
71551	Mri chest w/dye
71552	Mri chest w/o & w/ dye
71555	Mri angio chest w/ or w/o dye
72125	Ct neck spine w/o dye
72126	Ct neck spine w/dye
72127	Ct neck spine w/o & w/dye
72128	Ct chest spine w/o dye
72129	Ct chest spine w/dye
72130	Ct chest spine w/o & w/dye
72131	Ct lumbar spine w/o dye
72132	Ct lumbar spine w/dye
72133	Ct lumbar spine w/o & w/dye
72141	Mri neck spine w/o dye
72142	Mri neck spine w/dye
72146	Mri chest spine w/o dye
72147	Mri chest spine w/dye
72148	Mri lumbar spine w/o dye
72149	Mri lumbar spine w/dye
72156	Mri neck spine w/o & w/dye
72157	Mri chest spine w/o & w/dye
72158	Mri lumbar spine w/o & w/dye
72159	Mr angio spine w/o&w/dye
72191	Ct angiograph pelv w/o&w/dye
72192	Ct pelvis w/o dye
72193	Ct pelvis w/dye
72194	Ct pelvis w/o & w/dye
72195	Mri pelvis w/o dye

72196	Mri pelvis w/dye
72197	Mri pelvis w/o & w/dye
72198	Mr angio pelvis w/o & w/dye
73200	Ct upper extremity w/o dye
73201	Ct upper extremity w/dye
73202	Ct uppr extremity w/o&w/dye
73206	Ct angio upr extrm w/o&w/dye
73218	Mri upper extremity w/o dye
73219	Mri upper extremity w/dye
73220	Mri uppr extremity w/o&w/dye
73221	Mri joint upr extrem w/o dye
73222	Mri joint upr extrem w/dye
73223	Mri joint upr extr w/o&w/dye
73225	Mr angio upr extr w/o&w/dye
73700	Ct lower extremity w/o dye
73701	Ct lower extremity w/dye
73702	Ct lwr extremity w/o&w/dye
73706	Ct angio lwr extr w/o&w/dye
73718	Mri lower extremity w/o dye
73719	Mri lower extremity w/dye
73720	Mri lwr extremity w/o&w/dye
73721	Mri jnt of lwr extre w/o dye
73722	Mri joint of lwr extr w/dye
73723	Mri joint lwr extr w/o&w/dye
73725	Mr ang lwr ext w or w/o dye
74150	Ct abdomen w/o dye
74160	Ct abdomen w/dye
74170	Ct abdomen w/o & w/dye
74175	Ct angio abdom w/o & w/dye
74176	Ct abd & pelvis
74177	Ct abd & pelv w/contrast
74178	Ct abd & pelv 1/> regns
74181	Mri abdomen w/o dye
74182	Mri abdomen w/dye
74183	Mri abdomen w/o & w/dye
74185	Mri angio abdom w orw/o dye
74261	Ct colonography dx
74262	Ct colonography dx w/dye
75557	Cardiac mri for morph
75559	Cardiac mri w/stress img
75561	Cardiac mri for morph w/dye
75563	Card mri w/stress img & dye
75571	Ct hrt w/o dye w/ca test
75572	Ct hrt w/3d image
75573	Ct hrt w/3d image congen
75574	Ct angio hrt w/3d image
75635	Ct angio abdominal arteries
76604	Us exam chest
76700	Us exam abdom complete
76705	Echo exam of abdomen
76770	Us exam abdo back wall comp
76775	Us exam abdo back wall lim
76776	Us exam k transpl w/doppler
76831	Echo exam uterus

76856	Us exam pelvic complete
76857	Us exam pelvic limited
76870	Us exam scrotum
77058	Mri one breast
77059	Mri both breasts