

## BONUS PAYMENTS IN HEALTH PROFESSIONAL SHORTAGE AREAS (HPSA)

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### I. APPLICABILITY

This policy is mandatory for reimbursement of services provided by either network or non-network providers. However, alternative network reimbursement methodologies are permitted when approved by TMA and specifically included in the network provider agreement.

### II. ISSUE

How are bonus payments in medically underserved areas made?

### III. POLICY

A. On July 3, 2000, the interim final rule was published in the Federal Register. This rule provided for a bonus payment, in addition to the amount normally paid under the allowable charge methodology, to providers in medically underserved areas. Medically underserved areas are the same as those determined by the Secretary of Health and Human Services for the Medicare program.

B. The bonus payments shall be equal to the bonus payments authorized by Medicare, except as necessary to recognize any unique or distinct characteristics or requirements of the CHAMPUS/TRICARE program, and as described in instructions issued by the Executive Director, TMA. The bonus payment is 10 percent of the amount actually paid, not 10 percent of the amount allowed, e.g., CMAC. The bonus payment only applies to physician services rendered in these medically underserved areas, not to non-physician practitioners' services. For services with both a professional and technical component, only the professional component would be included in the calculation of the bonus payment. The bonus payment is based on where the service is performed which must be in the medically underserved area, not the billing office, etc. The bonus payment applies to both assigned and non-assigned claims. It also applies to network and non-network physicians. In addition, claims filed under Prime, Extra, and Standard for services provided in medically underserved areas can receive the bonus payment.

C. The bonus shall be calculated based on 10 percent of the amount actually paid a physician during a calendar quarter for services rendered in a medically underserved area. For a physician to receive the bonus payment, the provider must put a "QU" modifier on the

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claim for services rendered in an urban HPSA and a “QB” modifier on a claim for services rendered in a rural HPSA. “QB” and “QU” are modifiers to the CPT/HCPCS procedure codes. If the contractor determines (TRICARE Operations Manual, [Chapter 10, Section 1, paragraph 6.0.](#)) that the services rendered by the physician qualify for the bonus payment, the contractor shall sum all claim payments that qualify for the quarter and pay an additional 10 percent. The bonus payment shall only be paid quarterly as a pass-through payment.

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