

BONUS PAYMENTS IN HEALTH PROFESSIONAL SHORTAGE AREAS (HPSA)

ISSUE DATE: April 18, 2003

AUTHORITY: [32 CFR 199.14](#)

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 April 15, 2002, the 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, designated as health professional shortage areas (HPSA) found in all 50 states and Puerto Rico.

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 Director, OCHAMPUS. The bonus payment is 10% of the amount actually paid, not 10% of the amount allowed, e.g., CMAC. The bonus payment only applies to physician (as defined in [32 CFR 199.2](#)) services rendered in these medically underserved areas. **Effective September 1, 2003, the bonus payment also applies to podiatrists, oral surgeons, and optometrists.** 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. For TFL claims, only those claims where TRICARE is primary would qualify for the bonus payment. For OHI claims, the bonus payment would apply, but only on the amount paid by the government.

C. The bonus shall be calculated based on 10% of the amount actually paid a physician during a calendar quarter for services rendered in a medically underserved area. In order to receive the bonus payment, the physician must put a "QU" modifier on the 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. The contractor shall sum all claim payments that qualify for the quarter and pay an additional 10%. The bonus payment shall only be paid quarterly as a pass-through payment (not-at-risk). There are no retroactive payments, adjustments or appeals, for obtaining a bonus payment. The contractor is not responsible for prescreening or post auditing of claims.

IV. EFFECTIVE DATE June 1, 2003.

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