



## Background

MMA changed the provision that required CAHs to have all of their physician/professional practitioners, who rendered outpatient services at their hospitals, reassign their billing rights to the CAH. Specifically, the MMA prohibits CMS from requiring that all physician/professional practitioners in a CAH reassign their billing rights to the CAH as a condition for electing the optional payment option (Method 2).

This provision allows practitioners (**all licensed professionals who otherwise would be entitled to bill the carrier under Part B**) who render outpatient services in a CAH's outpatient department to choose whether they want to reassign their billing rights to the CAH, or file their own claims through their Medicare carrier.

If the CAH elected the optional method before November 1, 2003, the provision is effective beginning on or after July 1, 2001. If the CAH elected the optional method on or after November 1, 2003, the provision is effective July 1, 2004. Whichever method the CAH chose remains in effect for that entire cost reporting period.

Be aware that, with this change, CAHs will receive 115% of whatever Medicare would pay of the professional fee schedule for **only** those physicians/professional practitioners who reassign their billing rights to the CAH.

Also, CMS requires that the CAH fully document the fact that a practitioner elects to reassign their billing rights to the hospital. For those practitioners who elect to reassign their billing rights to the CAH, the hospital must have a copy of the 855I, which the individual practitioner must certify. The CAH must also have each practitioner sign an attestation that clearly states that they will not bill the carrier for any services rendered at the CAH once the reassignment has been given to the CAH.

## Important Dates to Know

EFFECTIVE DATE: July 1, 2004 for CAHs selecting the optional payment method on or after November 1, 2003; for those CAHs who selected the optional method prior to November 1, the effective date is retroactive to July 1, 2001.

IMPLEMENTATION DATE: July 6, 2004

## Related Instructions

For more detailed information on the two payment methods available, please refer to Chapter 4 of the Medicare Claims Processing Manual (Pub 100-04) sections 250.1 and 250.2. The table of contents for this manual may be found at: [http://www.cms.hhs.gov/manuals/104\\_claims/clm104index.asp](http://www.cms.hhs.gov/manuals/104_claims/clm104index.asp). Once at that site, scroll down to Chapter 4 and select the version you wish to receive.

The official instruction issued to your carrier or fiscal intermediary regarding this change may be found at: [http://www.cms.hhs.gov/manuals/transmittals/comm\\_date\\_dsc.asp](http://www.cms.hhs.gov/manuals/transmittals/comm_date_dsc.asp). Once at that page, scroll down to look for 3114 in the CR NUM column on the right and click on the file for that CR.

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