Medicare Physician Fee Schedule Status Indicator Policy, Professional

IMPORTANT NOTE ABOUT THIS REIMBURSEMENT POLICY

This policy is applicable to UnitedHealthcare Medicare Advantage Plans offered by UnitedHealthcare and its affiliates.

You are responsible for submission of accurate claims. This reimbursement policy is intended to ensure that you are reimbursed based on the code or codes that correctly describe the health care services provided. UnitedHealthcare Medicare Advantage reimbursement policies use Current Procedural Terminology (CPT®*), Centers for Medicare and Medicaid Services (CMS), or other coding guidelines. References to CPT or other sources are for definitional purposes only and do not imply any right to reimbursement.

This reimbursement policy applies to all health care services billed on CMS 1500 forms and, when specified, to those billed on UB04 forms (CMS 1450). Coding methodology, industry-standard reimbursement logic, regulatory requirements, benefits design, and other factors are considered in developing reimbursement policy.

This information is intended to serve only as a general resource regarding UnitedHealthcare's Medicare Advantage reimbursement policy for the services described and is not intended to address every aspect of a reimbursement situation. Accordingly, UnitedHealthcare Medicare Advantage may use reasonable discretion in interpreting and applying this policy to health care services provided in a particular case. Further, the policy does not address all issues related to reimbursement for health care services provided to UnitedHealthcare Medicare Advantage enrollees. Other factors affecting reimbursement may supplement, modify or, in some cases, supersede this policy. These factors may include, but are not limited to: legislative mandates, the physician or other provider contracts, and/or the enrollee's benefit coverage documents**. Finally, this policy may not be implemented exactly the same way on the different electronic claims processing systems used by UnitedHealthcare Medicare Advantage due to programming or other constraints; however, UnitedHealthcare Medicare Advantage strives to minimize these variations.

UnitedHealthcare Medicare Advantage may modify this reimbursement policy at any time to comply with changes in CMS policy and other national standard coding guidelines by publishing a new version of the reimbursement policy on this website. However, the information presented in this reimbursement policy is accurate and current as of the date of publication. UnitedHealthcare Medicare Advantage encourages physicians and other health care professionals to keep current with any CMS policy changes and/or billing requirements by referring to the CMS or your local carrier website regularly. Physicians and other health care professionals can sign up for regular distributions for policy or regulatory changes directly from CMS and/or your local carrier. UnitedHealthcare's Medicare Advantage reimbursement policies do not include notations regarding prior authorization requirements.

** For more information on a specific enrollee's benefit coverage, please call the customer service number on the back of the member ID card.

Application

This reimbursement policy applies to all Medicare Advantage products for services reported using the 1500 Health Insurance Claim Form (a/k/a CMS-1500) or its electronic equivalent or its successor form. This policy applies to all network physicians and other qualified health care professionals.,

Policy

Overview

A fee schedule is a complete listing of fees used by Medicare to pay doctors or other providers/suppliers. This comprehensive listing of fee maximums is used to reimburse a physician and/or other providers on a fee-for-service basis. CMS develops fee schedules for physicians, ambulance services, clinical laboratory services, and durable medical equipment, prosthetics, orthotics, and supplies. The National Physician Fee Schedule (NPFS) Relative Value

File contains information on services covered under the Medicare Physician Fee Schedule (MPFS). For more than 10,000 physician services, the file contains the associated relative value units (RVUs), a fee schedule status indicator, and various payment policy indicators needed for payment adjustment (i.e., payment of assistant at surgery, team surgery, bilateral surgery, etc.).

This policy addresses Medicare Physician Fee Schedule status codes B, I, M, N, P & T. Status indicator B represents "Bundled" codes, status code I represents "Invalid" codes, status code M represents "Measurement" codes, status code N represents "Noncovered" codes, P represents "Bundled/Excluded" codes, and T represents "Injection" codes.

Reimbursement Guidelines

All codes published on the NPFS Relative Value File are assigned a status code. Per the public use file that accompanies the NPFS Relative Value File, the status code indicates whether the code is separately payable if the service is covered. Only Relative Value Unites (RVUs) associated with status codes of "A", "R", or "T", are used for Medicare payment. Attachment A of the NPFS Relative Value File provides a description of status code values and states the following for B, I, M, N, P, & T,

B – "Bundled" Codes - Payment for covered services are always bundled into payment for other services not specified. If Relative Value Units (RVUs) are shown on the fee schedule, they are not used for Medicare payment. If these services are covered, payment for them is subsumed by the payment for the services to which they are incident. (An example is a telephone call from a hospital nurse regarding care of a patient).

I – "Not valid for Medicare purposes" - Medicare uses another code for reporting of, and payment for, these services. (Code NOT subject to a 90-day grace period.)

M – "Measurement" codes. Used for reporting purposes only.

N – "Non-covered" Services. These services are not covered by Medicare.

P – "Bundled/Excluded" Codes. There are no RVUs, and no payment amounts for these services. No separate payment should be made for them under the fee schedule.

- If the item or service is covered as incident to a physician service and is provided on the same day as a physician service, payment for it is bundled into the payment for the physician service to which it is incident. (An example is an elastic bandage furnished by a physician incident to physician service.)
- If the item or service is covered as other than incident to a physician service, it is excluded from the fee schedule (i.e., colostomy supplies) and should be paid under the other payment provision of the Act.

T – "Injections". There are RVUs, and payment amounts for these services, but they are only paid if there are no other services payable under the physician fee schedule billed on the same date by the same provider. If any other services payable under the physician fee schedule are billed on the same date by the same provider, these services are bundled into the physician services for which payment is made.

Consistent with CMS, UnitedHealthcare Medicare Advantage will not separately reimburse for specific Current Procedural Terminology (CPT®) and Healthcare Common Procedure Coding System (HCPCS) codes assigned a status code of B, I, M, N, or P on the NPFS Relative Value File.

CPT Category II Codes

According to the American Medical Association (AMA) Current Procedural Terminology (CPT®) guidelines, Category II codes are supplemental tracking codes that can be used for performance measurement. The use of the tracking codes for performance measurement will decrease the need for record abstraction and chart review, and thereby minimize administrative burdens on physicians and other health care professionals. These codes are intended to facilitate data collection about quality of care by coding certain services and/or test results that support performance measures and that have been agreed upon as contributing to good patient care. Some codes in this category may relate to compliance by the health care professional with state or federal law. As such, UnitedHealthcare Medicare Advantage recognizes all CPT Category II codes as measurement codes used for reporting purposes only, regardless of status indicator M or I designation.

UnitedHealthcare® Medicare Advantage
Reimbursement Policy
CMS 1500
Policy Number 2023R9003A

Definitions	
Relative Value Unit (RVU)	The assigned unit value of a particular CPT or HCPCS code. The associated RVU is either from the CMS NPFS Non-Facility Total value or Facility Total value.
Medicare Physician Fee Schedule (MPFS)	A fee schedule is a complete listing of fee maximums used by Medicare to pay physicians, other enrolled health care professionals, or providers/suppliers on a Fee-For-Service (FFS) basis. Medicare bases payment on whichever is less, the charge or MPFS amount.

Questions and Answers	
1	**Q:** What if CMS has labeled some codes with a non-covered status but the member has extended benefits for them? **A:** Codes identified as supplemental benefits for our members will be carved out of the non-covered status and bypassed from the global denial.
2	**Q:** If a code with status indicator of B, I, M, or P is billed for a member, whose liability is the denied service? **A:** If one of the codes with these status indicators is billed, the Provider will be held liable for the denied service. The member will be held harmless.

Codes

The CMS MPFS National Physician Fee Schedule Relative Value files are found at: PFS Relative Value Files. The files are grouped by calendar year and are updated quarterly. The file name begins with “RVU”, two digits year, and alpha quarter designator. “A” = January, “B” = April, “C” = July, “D” = October. If there is an “R” after the quarter code, this will indicate a revision was made.

Resources

www.cms.gov

Centers for Medicare and Medicaid Services: PFS Relative Value Files, HCPCS Release & Code Sets

Medicare Claims Processing Manual - Chapter 05 - Part B Outpatient Rehabilitation and CORF/OPT Services: Section: 10.6

Medicare Claims Processing Manual - Chapter 12 - Physicians/Nonphysician Practitioners Section: 20.3

Medicare Benefit Policy Manual - Chapter 15 - Covered Medical and Other Health Services Section: 220.4

Medicare Claims Processing Manual - Chapter 23 - Fee Schedule Administration and Coding Requirements Section: 30.2.2

The Medicare Learning Network (MLN) MLN Matters: MM9476; MM8166; MM8005; SE1307; MM11453,

History

1/1/2023	Policy Version Change

	Policy Application Section: Updated Policy Logo Updated History Section: Entries prior to 7/1/2021 archived
03/01/2022	Policy Version Change Reimbursement Guidelines for Outpatient Therapy Functional Reporting: Section deleted. Reimbursement Guidelines for CPT Category II Codes added.
1/1/2022	Policy Version Change Reimbursement Guidelines for Outpatient Therapy Functional Reporting: Updates Modifiers Section: Removed Resource Section: Updated History Section: Entries prior to 1/1/2020 archived
2/8/2012	Policy developed and approved by committee