DEPARTMENT OF HEALTH AND HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, MD 21244-1850

**Center for Medicaid and CHIP Services**

***CMCS Informational Bulletin***

**DATE:** December 29, 2011

**FROM:** Cindy Mann, Director
Center for Medicaid and CHIP Services (CMCS)

**SUBJECT: FY 2011 CHIPRA Performance Bonuses and CPT Code 96110**

This Informational Bulletin is intended to update States and other interested parties on two important items:

- FY 2011 CHIPRA Performance Bonus awards
- Recent changes to Medicare CPT Code 96110 and impacts on Medicaid

## FY 2011 CHIPRA Performance Bonuses

We are pleased to announce the awards today of nearly $300 million in Fiscal Year 2011 Children's Health Insurance Program Reauthorization Act (CHIPRA) Performance Bonuses to 23 States. CHIPRA established Performance Bonuses as an incentive and a mechanism for recognizing State efforts to simplify their Medicaid and CHIP enrollment and renewal processes and to help defray the cost of increasing the enrollment of eligible children in Medicaid. The amount of the bonus correlates with the increase in Medicaid enrollment – the more children States enroll, the higher the bonus. We are pleased that seven additional States qualified for Performance Bonuses this year and that the total award amount increased by $80 million over FY 2010, reflecting large enrollment gains for eligible children.

To qualify for a Performance Bonus, States must simplify their programs by adopting five of eight specific program features set out in the law. Thus, all qualifying States have adopted at least five of the designated program features. Recognizing that simplification helps improve access to health coverage for eligible children and helps States administer their Medicaid and CHIP programs more efficiently, five States that received Performance Bonuses in 2011 have added a sixth program feature: Oregon, Iowa, Illinois, New Jersey and New Mexico. Efforts to streamline enrollment and renewal processes provide valuable lessons as we continue our collective work to implement the Affordable Care Act. More information about the FY 2011 Performance Bonuses is available **here** under related resources.

The progress States are making aligns closely with the goals of the Secretary's *Connecting Kids to Coverage Challenge* to find and enroll all eligible but uninsured children in Medicaid and

CHIP. Results from the National Center for Health Statistics, also released **today**, show that an additional 1.2 million children have gained health insurance since CHIPRA was signed into law in February 2009. This increase in coverage among children has been entirely due to greater enrollment in public programs such as Medicaid and CHIP. And families agree that these programs are doing their job – a survey conducted for CMS by Lake Research Partners available **here** found that more than nine of 10 parents (93%) with a child enrolled in Medicaid/CHIP are very or somewhat satisfied with their child's coverage.

## CPT Code 96110

This information bulletin also addresses Medicaid implications for a recent change to Medicare billing code CPT 96110 (Developmental screening, with interpretation and report, per standardized instrument form). Many State Medicaid agencies have developed fee schedules based upon Medicare billing codes and associated relative value units published annually by Medicare.

The American Medical Association's CPT editorial panel recently revised the description of code 96110 to cover "developmental screening" rather than developmental testing, as it had been previously described. As Medicare does not pay for screening or preventive services unless such coverage is authorized under the Medicare statute, for Medicare purposes, CMS modified the active status of code 96110 and did not include associated value units in the 2012 Medicare Resource Based Relative Value Scale physician fee schedule (PFS).

This change resulted in many questions and potentially unintended consequences for other payers. We want to be clear that Medicaid and other private payers will be able to continue to use code 96110 even though it is a statutorily non-covered service under Medicare. In addition, many State Medicaid programs rely upon Medicare-published relative value units, including those associated with code 96110. At the request of Medicaid and concerned stakeholders, in the next few weeks Medicare will provide the relative value units for this code.

Revised payment files to reflect corrections and revisions to the physician update amount will be posted on the Physician Fee Schedule portion of the CMS website under the PFS Relative Value Files section, available **here** in the near future. In advance of these files, the payment rate for code 96110 will be based on 0.28 total Relative Value Units (0.27 practice expense and 0.01 malpractice).

CMS has also created a new code, G0451 (Developmental testing with interpretation and report, per standardized instrument form), and published associated relative value units, to ensure that physicians can continue to bill for the types of services encompassed under CPT 96110 when used for testing and not screening purposes.