



Policy Title	Medicare Physician Fee Schedule Status Indicator Reimbursement Policy
Policy Department	Payment Strategy & Optimization
Effective Date	4/1/2022
Revision Date(s)	
Next Review Date	

Disclaimer:

Clover Health applies The Center for Medicare and Medicaid Services (CMS) criteria and guidelines, National Coverage Determinations (NCD), Local Coverage Determinations (LCD), Clover Policies, and MCG for determining medical necessity. Clover Policies are intended to provide a standard guideline but are not used to preempt providers' judgment in rendering services. Providers are expected to provide care based on best practices and use their medical judgment for appropriate care.

Description:

This policy addresses reimbursement guidelines for the Medicare Physician Fee Schedule status indicator codes of B, I, M, N, P & T . This is based on the National Physician Fee Schedule (NPFS) Relative Value File which 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.).

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-ForService (FFS) basis. Medicare bases payment on whichever is less,



the charge or MPFS amount.

Policy:

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 Units (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,

A- Active code. These codes are separately paid under the physician fee schedule if covered. There will be RVUs and payment amounts for codes with this status. The presence of an "A" indicator does not mean that Medicare has made a national coverage determination regarding the service; A/B MACs (B) remain responsible for coverage decisions in the absence of a national Medicare policy.

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.

R= Restricted coverage. Special coverage instructions apply

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.

Clover Health is consistent with CMS and 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.

Claim Codes (if applicable)

[PFS Relative Value Files](#)

The link above is to the CMS MPFS National Physician Fee Schedule 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.

References

[Medicare Claims Processing Manual - Chapter 12 - Physicians/Nonphysician Practitioners Section: 20.3](#)

[Medicare Claims Processing Manual - Chapter 23 - Fee Schedule Administration and Coding Requirements Section: 30.2.2](#)