A Guide for Understanding the
2009 Electronic Prescribing Incentive Program (eRx) Incentive Payment
August 9, 2010

This document describes how the 2009 Electronic Prescribing Incentive Program (eRx) incentive payment was calculated. Only Medicare Part B claims that contained an individual National Provider Identifier (NPI) were included in the 2009 incentive payment calculation, available October 2010.

Incentive amounts were calculated using the following steps <u>for each incentive-eligible provider</u> (NPI within a practice [i.e., TIN/NPI]). Incentive payments were aggregated for all NPIs within the TIN and distributed at the TIN level in a lump-sum payment.

Step 1: Apply the Completion Factor
• The 2009 Medicare Part B Physician Fee Schedule (PFS) total estimated allowed charges were increased to account for claims submitted by eligible professional (EPs) on or before February 28, 2010, but were not included in the National Claims History (NCH) database as final-action claims when the data was obtained for 2009 eRx analyses. • The Completion Factor for the 12-month eRx reporting period is 1.036%.
Step 2: Identification of the Reporting Period and Reporting Method
• Identify the reporting period and method in which the EP participated: o 12 Months Claims
Step 3: Calculate the Incentive for Each Incentive-Eligible TIN/NPI
• All Medicare Part B PFS total estimated allowed charges (with the completion factor applicable to the reporting period) on claims for each incentive-eligible TIN/NPI combinations were identified for inclusion or exclusion (See page 2). • The 2.0% incentive amount was calculated by: o Adding Medicare Part B PFS total estimated allowed charges (with the completion factor applied) for each TIN/NPI; then o Multiplying by 0.02, giving the incentive amount.

Resources

Completion Factor
A percentage increase that was applied to the Medicare Part B PFS total estimated allowed charges to account for claims submitted by EPs on or before February 28, 2010, but were not included in the NCH database as final-action claims when the data was obtained for 2009 eRx analyses.

Identified Inclusions for Medicare Part B PFS Total Estimated Allowed Charges:
First expense date and last expense date were between 1/1/2009 and 12/31/2009 for the 12-month reporting period

- Claims-based measure NCH processing date must be on or before 2/28/2010
- Claims must be marked as "final" in the Part B claims database
- Split claims in the NCH file HCPCS service lines were rejoined
- Line-items identified by HCPCS and modifier(s)
- Technical components of diagnostic services and anesthesia services (note: radiopharmaceuticals will be included in the basis of total estimated allowed charges on which the 2.0% incentive was calculated)

Identified Exclusions for Medicare Part B PFS Total Estimated Allowed Charges:

- Denied claims or denied line items
- Amount billed above the PFS for assigned and non-assigned claims
- Services payable under fee schedules or methodologies other than the Medicare Part B PFS were not included in eRx. Refer to information on Eligible Professionals at: http://www.cms.gov/ERxIncentive/05_Eligible%20Professionals.asp#TopOfPage

Incentive Earned Calculation by Individual EPs Satisfying 2009 eRx Reporting Criteria
The incentive earned by each individual EP satisfying reporting criteria for 2009 was 2.0% of the EP's total estimated Medicare Part B PFS allowed charges for covered professional services billed under the individual's NPI during the January-December 2009 reporting period.

Key Terms as Used in eRx Analysis and Documentation

"TIN" – Taxpayer Identification Number or "Tax ID Number"
For eRx, "TIN" includes all of the following types of identifiers:
(1) Individual Social Security Number/Social Security Account Number (SSN/SSAN);
(2) Employer Identification Number (EIN), also known as a "Tax ID Number", typically held by businesses or other organizations with employees; and
(3) Individual Taxpayer Identification Number (I-TIN), issued by the IRS to individuals who do not need an EIN and do not wish to use their individual SSN/SSAN for certain business transactions.

Medicare Part B PFS Total Estimated Allowed Charges
For purposes of eRx analysis, the Medicare Part B PFS total estimated allowed charges were used to account for claims submitted by EPs on or before February 28, 2010, but were not included in the NCH database as final-action claims when the data was obtained for 2009 eRx analyses. For more information on the PFS and Physician Reimbursement Rules, please refer to the CMS website at: http://edocket.access.gpo.gov/2008/pdf/E8-26213.pdf.

NPI – National Provider Identifier
The individual NPI representing the EP was used to determine incentive eligibility for the 2009 eRx . The Medicare Carrier/MAC routes to each TIN a lump-sum incentive payment equal to the sum of incentive earned by each EP who satisfactorily reported under that TIN for the 2009 eRx reporting period.

TIN/NPI
The key unit of analysis for the 2009 eRx incentive payment eligibility and amount was the individual NPI within a TIN. *(If an individual EP furnished services for which reimbursement was claimed under more than one TIN, the EP's eRx reporting rates and allowed charges were analyzed under each TIN separately).*

Valid Instance of eRx Reporting
An eRx measure's quality-data code (G-code) submitted on a claim that also contained any combination of applicable CPT Category I service code that defines a reportable instance for the measure, as identified by the measure's detailed specifications. *(The full, detailed specifications for the 2009 eRx quality measure, as implemented in 2009, are available for download from the CMS eRx web site).*

- Individual Measure Specifications for 2009 eRx can be found at: http://www.cms.hhs.gov/apps/ama/license.asp?file=/PQRI/Downloads/2009EPrescribingSpecifications012209.pdf

For more information, see posted FAQs related to 2009 eRx on the CMS eRx web site.

Questions?

Contact the QualityNet Help Desk at 1-866-288-8912 or qnetsupport@sdps.org Monday-Friday from 7:00 a.m. to 7:00 p.m. CST.