

# Electronic Prescribing Incentive Fact Sheet

## Introduction to E-Prescribing Incentive

<http://www.cms.hhs.gov/ERxIncentive>

As Authorized by Section 132 of the Medicare Improvements for Patients and Providers Act of 2008 (MIPPA)

## E-Prescribing Incentive

### Background

The MIPPA authorizes a new incentive program for eligible professionals who are successful electronic prescribers (E-Prescribers) as defined by MIPPA. This new incentive program is in addition to the quality reporting incentive program authorized by Division B of the Tax Relief and Health Care Act of 2006 – Medicare Improvements and Extension Act of 2006 (MIEA-TRHCA) and known as the Physician Quality Reporting Initiative (PQRI). The e-prescribing incentive is similar to the PQRI incentive in that reporting periods are one year in length and the incentive is based on the covered professional services furnished by the eligible professional during the reporting year. In addition, MIPPA requires that quality measures that can be reported for purposes of qualifying for the PQRI incentive payment not include e-prescribing measures.

### Reporting Periods

Reporting periods are for a calendar year, beginning with calendar year 2009 through 2013.

### Incentive Amounts

The e-prescribing incentive amount is based on the Secretary's estimate (based on claims submitted not later than 2 months after the end of the reporting period) of the allowed charges for all such Physician Fee Schedule (PFS) covered professional services furnished by the eligible professional during the reporting period. The e-prescribing incentive percent amount for reporting years 2009 - 2010 is 2.0 percent; for reporting years 2011 - 2012 is 1.0 percent; and for reporting year 2013 it is 0.5 percent.

### Incentive Limitations

The incentive does not apply to eligible professionals, for the reporting period, if:

1. The Medicare allowed charges for all covered professional services for the codes to which the e-prescribing measure applies are less than 10% of the total of the allowed charges under Medicare Part B for all such covered professional services furnished by the eligible professional.  
  
OR
2. If determined appropriate by the Secretary, the eligible professional does not submit (including both electronically and non-electronically) a sufficient number of prescriptions under Part D.

*CMS will describe which incentive limitation (either 1 or 2 above) will apply for the reporting year 2009 in the final 2009 Physician Fee Schedule rule that will be posted in the Federal Register no later than November 15, 2008.*

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## Successful Electronic Prescriber Defined

For purposes of qualifying for the incentive, an eligible professional shall be treated as a successful E-Prescriber for a reporting period if the eligible professional meets the requirements under (1) below, or if determined appropriate by the Secretary, the requirement described in (2) below.

1. The eligible professional reported the applicable e-prescribing quality measure (e.g., e-prescribing measure # 125) in at least 50 percent of the cases in which such measure is reportable by the eligible professional during the reporting year. Note: Any updates to e-prescribing quality measures (specifications and/or reporting instructions) will be posted at <http://www.cms.hhs.gov/ERxIncentive> on the CMS website.

OR

2. The eligible professional electronically submitted a sufficient number of prescriptions (as determined by the Secretary) under Part D during the reporting period.

In addition, to the extent practical, in determining whether the eligible professional meets the criteria for successful e-prescribing, the Secretary shall ensure that eligible professionals utilize e-prescribing systems in compliance with standards established for such systems pursuant to the Part D Electronic Prescribing Program under section 1860 D-4 of the SSA.

*CMS will describe the criteria (either 1 or 2 above) that will be used to determine a “successful E-Prescriber” for reporting year 2009 in the final 2009 Physician Fee Schedule rule that will be posted in the Federal Register no later than November 15, 2008.*

## Adjustment to E-Prescribing Incentive (Reduction in Medicare Payments)

### Adjustment Amounts

With respect to covered professional services furnished by an eligible professional during 2012 or any subsequent year, if the eligible professional is not a successful E-Prescriber for the reporting period for the year, the fee schedule amount for such services furnished by such professional during the year shall be reduced by:

- 1.0 percent for 2012,
- 1.5 percent for 2013, and
- 2.0 percent for 2014 and each subsequent year.

### Hardship Exceptions

The Secretary may, on a case-by-case basis, exempt an eligible professional from the application of the payment adjustment, if the Secretary determines, subject to annual renewal, that compliance with the requirement for being a successful E-Prescriber would result in a significant hardship.

## E-Prescribing Information

*E-Prescribing is for you! CMS will be issuing more information about e-prescribing including details on how to earn incentives for early adoption. Visit the dedicated website <http://www.cms.hhs.gov/ERxIncentive> to stay informed.*



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