



## Coding and Reporting Principles for the Physician Quality Reporting Initiative (PQRI) – JA6514A

Related CR Release Date: July 2, 2009 **Revised**

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Effective Date: June 1, 2009

Implementation Date: September 2, 2009

**Note:** JA 6514A was revised to add a link MLN Matters® article SE1021 (<http://www.cms.gov/MLN MattersArticles/downloads/se1021.pdf>) for the latest information on participating in the PQRI and E-Prescribing Incentive Program.

**Key Words** MM6514, CR6514, R513OTN, PQRI

**Contractors Affected**

- Part A/B Medicare Administrative Contractors (A/B MACs)
- Medicare Carriers

**Provider Types Affected** Physicians and practitioners (referred to as eligible professionals (EPs)) who wish to participate in the Medicare PQRI Program in 2009.



Change Request (CR) 6514 provides a high-level overview of the coding and reporting principles for the claims-based reporting of quality measures data for the 2009 PQRI and for the claims-based reporting of the E-Prescribing measure for the 2009 E-Prescribing Incentive Program.

**Note:** There is another Job Aid (JA6514B) associated with CR6514 that addresses the coding - and reporting principles for the E-Prescribing Incentive Program.

### PQRI Coding and Reporting Principles

**Provider Needs to Know...**

#### Claims-based Reporting

- To implement 2009 PQRI claims-based reporting of measures or measures groups, EPs, using their individual national provider identifier (NPI) and submitting billable services on Part B claims for allowable Medicare Physician Fee Schedule charges,

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providers may report:

- Quality action for selected PQRI quality measure(s); or
  - Measures groups, which are comprised of four or more PQRI quality measures.
- The PQRI measures consist of two major components that permit the calculation of the percentage of a defined patient population: 1) who receive a particular process of care or achieve a particular outcome, or 2) for whom care was delivered using a particular structural element. The major components are:
    - A unique denominator (eligible case) that describes the eligible cases for a measure (the eligible patient population associated with a measure's numerator); and
    - A numerator that describes the quality action required by the measure for reporting and performance.
  - Each component is defined by specific codes described in each measure specification along with reporting instructions and use of modifiers

#### Guides/Educational Resources

- Providers should review the following documents if they choose to report individual PQRI quality measures:
    1. "2009 PQRI Measure Specifications Manual for Claims and Registry"; and
    2. "2009 PQRI Implementation Guide," which describes important reporting principles underlying claims-based reporting of measures and includes a sample claim in the Centers for Medicare & Medicaid Services (CMS) 1500 format.
  - Providers should review the following documents if they choose to report PQRI measures groups:
    3. "2009 PQRI Measures Groups Specifications Manual"- Note that the specifications for a measures group are different from those for individual measures because measures groups require a common denominator. Providers should use the correct specifications.
    4. "Getting Started with 2009 PQRI Reporting of Measures Groups" – This is the implementation guide for reporting measures groups.
    5. "2009 PQRI Tip Sheet: PQRI Made Simple – Reporting the Preventive Care Measures Group" – This tip sheet provides a useful worksheet to keep track of each patient reported when using the 30-consecutive patient sample method for a measures group.
  - Providers can find the first four documents on the Measures/Codes section of the CMS PQRI website at [http://www.cms.hhs.gov/PQRI/15\\_MeasuresCodes.asp#TopOfPage](http://www.cms.hhs.gov/PQRI/15_MeasuresCodes.asp#TopOfPage) on the CMS website.
  - Providers can find the fifth document on the Educational Resources section of the CMS
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PQRI website at [http://www.cms.hhs.gov/PQRI/30\\_EducationalResources.asp#TopOfPage](http://www.cms.hhs.gov/PQRI/30_EducationalResources.asp#TopOfPage) on the CMS website.

### Current Procedural Terminology (CPT) Category I Modifiers

- The PQRI measure specifications include specific instructions regarding inclusion of CPT Category I modifiers. Unless otherwise specified, CPT Category I codes may be reported with or without CPT modifiers.
- Providers should refer to each individual measure specification for detailed instructions to identify CPT Category I modifiers that qualify or do not qualify a claim for denominator inclusion.
- Providers should note that PQRI-eligible CPT Category I procedure codes billed by surgeons performing surgery on the same patient, submitted with modifier 62 (indicating two surgeons, i.e., dual procedures), will be included in the denominator population for applicable PQRI measure(s). Both surgeons participating in PQRI will be fully accountable for the quality action(s) described in the PQRI measure(s).
- Surgical procedures billed by an assistant surgeon(s) will be excluded from the denominator population so their performance rates will not be negatively impacted for PQRI.
- PQRI analyses will exclude otherwise PQRI-eligible CPT Category I codes, when submitted with assistant surgeon modifiers 80, 81, or 82.
- The primary surgeon (not the assistant surgeon) is responsible for performing and reporting the quality action(s) in applicable PQRI measures.

### Quality-Data Codes (QDCs)

- QDCs are non-payable Healthcare Common Procedure Coding System (HCPCS) codes comprised of specified CPT Category II codes and/or G-codes that describe the quality action required by a measure's numerator.
- Quality actions can apply to more than one condition. Therefore, they can also apply to more than one measure.
- Where necessary to avoid shared CPT Category II codes, G-codes should be used to distinguish quality actions across measures.
- Some measures require more than one quality action and therefore, have more than one CPT Category II code (G-code) or a combination associated with them.

### CPT Category II Codes

- CPT Category II or CPT II codes that are developed through the CPT Editorial Panel for use in performance measurement serve to encode the quality action(s) described in a measure's numerator.
- CPT II codes consist of five alphanumeric characters in a string, ending with the letter "F."
- CPT II codes are not modified or updated during the reporting period and remain valid for the entire program year as published in the measure specifications manuals and

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related documents for PQRI.

### Use of CPT II Modifiers

- CPT II modifiers are unique to CPT II codes and may be used to report PQRI measures by appending the appropriate modifier to a CPT II code as specified for a given measure.
- The modifiers for a code are mutually exclusive and their use is guided by the measure's coding instructions, which are included in the numerator coding section of the measure specifications.
- Use of the modifiers is unique to CPT II codes and may not be used with other types of CPT codes.
- Only CPT II modifiers may be appended to CPT II codes.
- In a pay-for-reporting model, accurate reporting on all selected applicable measures counts the same, whether reporting that the quality action was performed or not.

### Description of CPT II Modifiers

- CPT II code modifiers fall into two categories, **exclusion modifiers** and the **8P reporting modifier**.
- Descriptions of each modifier are provided below to help identify circumstances when the use of an exclusion modifier may be appropriate.

### Exclusion Modifiers

- Exclusion modifiers may be appended to a CPT II code to indicate that an action specified in the measure was not provided due to medical, patient, or system reason(s) documented in the medical record.
- These modifiers serve as denominator exclusions for the purpose of measuring performance.
- Some measures do not allow performance exclusions.
- Reasons for appending a performance measure exclusion modifier fall into one of three categories:

- **1P Exclusion modifier due to medical reasons**

Examples include:

1. Not indicated (absence of organ/limb, already received/performed, other);
2. Contraindicated (patient allergic history, potential adverse drug interaction, other); and
3. Other medical reasons.

- **2P Exclusion modifier due to patient reasons**

Examples include:

1. Patient declined;
2. Economic, social, or religious reasons; and
3. Other patient reasons.

### 3P Exclusion modifier due to system reasons

Examples include:

1. Resources to perform the services not available (e.g., equipment, supplies);
2. Insurance coverage or payer-related limitations; and
3. Other reasons attributable to health care delivery system.

### 8P Reporting Modifier - Action not Performed, Reason not Otherwise Specified

- The 8P reporting modifier is available for use only with CPT II codes to facilitate reporting a denominator eligible case when an action described in a measure is not performed and the reason is not specified.
- Instructions for appending this reporting modifier to CPT Category II codes are included in applicable measures.
- Use of the 8P reporting modifier indicates that the patient is eligible for the measure. However, there is no indication in the record that the action described in the measure was performed, nor was there any documented reason attributable to the exclusion modifiers.
- The 8P reporting modifier facilitates reporting an eligible case on a given measure when the quality action does not apply to a specific encounter.
- EPs can use the 8P modifier to receive credit for satisfactory reporting but will not receive credit for performance.

#### Example:

1. A clinician who has selected and submitted ODCs during the reporting period for 2009 PQRI Measure #6 (Oral Antiplatelet Therapy) sees a patient during an encounter, and the claim for services for that encounter contains International Classification of Diseases, Ninth Revision, Clinical Modification (ICD-9-CM) and CPT codes that will draw the patient into the measures' denominator during analysis.
2. The 8P modifier serves to include the patient in the numerator when reporting rates are calculated for PQRI.

### Claims-Based Reporting Principles

- The CPT Category II code(s) and/or G-code(s), which supply the numerator, must be reported:
  - On the same claim as the denominator billing code(s);
  - For the same beneficiary;
  - For the same date of service; and
  - By the same EP (individual NPI) who performed the covered service as the payment codes, usually ICD-9-CM, CPT Category I, or HCPCS codes, which supply the denominator.
- All diagnoses reported on the base claim, regardless of the order listed, will be included

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in PQRI analysis, as some PQRI measures require reporting more than one diagnosis on a claim.

- To report a QDC for a measure that requires reporting of multiple diagnoses, providers must enter the reference number in the diagnosis pointer field that corresponds to one of the measure's diagnoses listed on the base claim.
- Regardless of the reference number in the diagnosis pointer field, both primary and all secondary diagnoses are considered in PQRI analysis.
- Up to four diagnoses can be reported in the header on the CMS-1500 paper claim, and up to eight diagnoses can be reported in the header on the electronic claim.
- Only one diagnosis can be linked to each line item, whether billing on paper or electronically.
- If the provider's billing software limits the number of line items available on a claim, the provider may add a nominal amount, such as a penny, to one of the line items on that second claim for a total charge of one penny.
- PQRI analysis will subsequently join both claims based on the same beneficiary for the same date-of-service, for the same Taxpayer Identification Number/NPI, and analyze as one claim.
- Providers should work with their billing software vendor/clearinghouse, regarding line limitations for claims, to ensure that diagnoses or QDCs are not dropped.
- QDCs must be submitted with a line-item charge of zero dollars (\$0.00) at the time the associated covered service is performed.
  - The submitted charge field cannot be blank.
  - The line item charge should be \$0.00.
  - If a system does not allow a \$0.00 line-item charge, a nominal amount can be substituted - the beneficiary is not liable for this nominal amount.
  - Entire claims with a zero charge will be rejected. (Total charge for the claim cannot be \$0.00.)
  - Whether a \$0.00 charge or a nominal amount is submitted to the carrier/contractor, the PQRI QDC line is denied and tracked.
  - QDC line items will be denied for payment but are then passed through the claims processing system for PQRI analysis. EPs will receive a Remittance Advice associated with the claim, which will contain the PQRI QDC line item and will include a standard remark code (N365) and a message that confirms that the QDC(s) passed into the National Claims History (NCH) file. The N365 remark code does NOT indicate whether the QDC is accurate for that claim or for the measure the EP is attempting to report. The N365 reads as follows: "This procedure code is not payable. It is for reporting/information purposes only."
- Multiple EPs' QDCs can be reported on the same claim using their individual NPI. Therefore, when a group is billing, providers should follow their normal billing practice of placing the NPI of the individual EP who rendered the service on each line item on the

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claim including the QDC line(s).

- Some measures require the submission of more than one QDC in order to properly report the measure. Providers should report each QDC as a separate line item, referencing one diagnosis and including the rendering provider NPI.
- Solo practitioners should follow their normal billing practice of placing their individual NPI in the billing provider field, (#33a on the CMS-1500 form or the electronic equivalent).
- EPs may submit multiple codes for more than one measure on a single claim.
- Multiple CPT Category II and/or G-codes for multiple measures that are applicable to a patient visit can be reported on the same claim, as long as the corresponding denominator codes are also line items on that claim.
- If a denied claim is subsequently corrected through the appeals process to the carrier/AB MAC, with accurate codes that also correspond to the measure's denominator, then QDCs that correspond to the numerator should also be included on the resubmitted claim as instructed in the measure specifications.
- Claims may NOT be resubmitted for the sole purpose of adding or correcting QDCs.

#### **QDCs Submission**

- Providers may submit QDCs to their carriers/MACs either through electronic or paper based submission.

#### **Requirements for Electronic Submission**

- When using electronic submission, which is accomplished using the ASC X 12N Health Care Claim Transaction (Version 4010A1), providers:
  - Should submit CPT Category II and/or temporary G-codes in the SV101-2 "Product/Service ID" Data Element on the SV1 "Professional Service" Segment of the 2400 "Service Line" Loop;
  - Must also identify in this segment that a HCPCS code is being supplied by submitting the HC in data element SV101-1 within the SV1 "Professional Service" Segment;
  - Should submit diagnosis codes at the claim level, Loop 2300, in data element HI01, and if there are multiple diagnosis codes, in HI02 through HI08 as needed with a single reference number in the diagnosis pointer; and
  - In general for group billing, should report the NPI for the rendering provider in Loop 2310B (Rendering Provider Name, claim level) or 2420A (Rendering Provider Name, line level), using data element NM109 (with NM108=XX).

#### **Requirements for Paper-based Submission**

- When using the paper-based submissions providers should:
  - Use the CMS-1500 claim form (Version 08-05);
  - Enter the relevant ICD-9-CM diagnosis codes in Field 21 and Service codes (including CPT, HCPCS, CPT Category II and/or G-codes) with any associated

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modifiers in Field 24D with a single reference number in the diagnosis pointer Field 24E that corresponds with the diagnosis number in Field 21; and

- For group billing, enter the NPI of the rendering in Field 24J, and the Tax Identification Number of the employer is entered in Field 25.

#### **Group and Solo NPI Submission**

- When a group bills, the group's NPI is submitted at the claim level. Therefore, the individual rendering physician's NPI must be placed on each line item, including all allowed charges and quality-data line items.
- Solo practitioners must include the provider's individual NPI on the claim line as is the normal billing process for submitting Medicare claims. For PQRI, the QDC must be included on the same claim that is submitted for payment at the time the claim is initially submitted in order to be included in PQRI analysis.

#### **Timeliness of Quality Data Submission**

- Providers should be aware that claims processed by the carrier/MAC must reach the national Medicare claims system data warehouse (NCH file) by February 28, 2010, to be included promptly. Claims that are resubmitted only to add QDCs will not be included in the analysis.

#### **Analysis of PQRI Data: Reporting Frequency and Performance Timeframes**

- Instructions for some measures limit the frequency of reporting necessary in certain circumstances, such as for patients with chronic illness for whom a particular process of care is provided only periodically.
- Each measure specification includes a reporting frequency for each denominator-eligible patient seen during the reporting period.
- The reporting frequency described in the instructions applies to each individual EP participating in PQRI.
- PQRI uses the reporting frequency to analyze each measure for determination of satisfactory reporting. Providers should report as follows:
  - Patient-Process: Report a minimum of once per reporting period per individual EP (NPI);
  - Patient-Intermediate: Report a minimum of once per reporting period per individual EP (NPI);
  - Patient-Periodic: Report once per timeframe specified in the measure for each individual EP (NPI) during the reporting period;
  - Episode: Report once for each occurrence of a particular illness/condition by each individual EP (NPI) during the reporting period;
  - Procedure: Report each time a procedure is performed by the individual EP (NPI) during the reporting period; and
  - Visit: Report each time the patient is seen by the individual EP (NPI) during the reporting period.

- A measure's performance timeframe is defined in the measure's description and is distinct from the reporting frequency requirement.
- The performance timeframe, unique to each measure, delineates the timeframe in which the quality action described in the numerator may be accomplished.

**Background**

- The 2006 Tax Relief and Health Care Act required the establishment of a physician quality reporting system, including an incentive payment for EPs who satisfactorily report data on quality measures for covered services furnished to Medicare beneficiaries during the second half of 2007. CMS named this program the PQRI.
- For the 2009 PQRI, the Medicare, Medicaid, and State Children's Health Insurance Program Extension Act of 2007 required the Secretary of Health and Human Services to select measures for 2009 through rulemaking, and to establish alternative reporting criteria and alternative reporting periods for reporting on a group of measures, or measures groups, and for registry-based reporting.
- The Medicare Improvements for Patients and Providers Act, which was enacted on July 15, 2008, includes many provisions that impact the 2009 PQRI.
- For 2009, PQRI submission of quality data may be performed via claims or via a qualified registry. Multiple reporting options are available for each method of submission, including the option of reporting on individual quality measures or on measures groups.

Operational Impact      N/A

**Reference Materials**

The related MLN Matters® article can be found at <http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM6514.pdf> on the CMS website.

The official instruction (CR6514) regarding this change may be viewed at <http://www.cms.hhs.gov/Transmittals/downloads/R513OTN.pdf> on the CMS website.