



A Guide for Understanding the 2010 Electronic Prescribing (eRx) Incentive Program Incentive Payment

June 20, 2011

This document describes how the 2010 Electronic Prescribing (eRx) Incentive Program incentive payment was calculated for 1) individual eligible professionals, and 2) self-nominated and CMS-selected Group Practice Reporting Option (GPRO) participants.

Individual Eligible Professionals Reporting Using TIN/NPI & Self-Nominated/Selected GPROs Using GPRO Tool Submission Under TIN

Only Medicare Part B claims that contained an individual National Provider Identifier (NPI) were included in the 2010 incentive payment calculation, available August-September 2011 and payable to the Taxpayer Identification Number (TIN).

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

Step 1: Apply the Completion Factor

- The 2010 Medicare Part B Physician Fee Schedule (PFS) total estimated allowed charges were increased to account for claims submitted by eligible professionals on or before February 25, 2011, but were not included in the National Claims History (NCH) database as final-action claims when the data was obtained for 2010 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 eligible professional or GPRO participated:
 - 12-Months Claims; or
 - 12-Months Registry; or
 - 12-Months EHR.

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 combination or GPRO TIN were identified for inclusion or exclusion (See page 2).
- The 2.0% incentive amount was calculated by:
 - Adding Medicare Part B PFS total estimated allowed charges (with the completion factor applied) for each TIN/NPI or GPRO TIN; then
 - Multiplying by 0.02, giving the total incentive amount payable to the TIN.



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Resources/Key Terms as Used in Analysis and Documentation

Completion Factor

A percentage increase that was applied to the Medicare Part B PFS total estimated allowed charges to account for claims submitted by eligible professionals on or before February 25, 2011, that were not included in the NCH database as final-action claims when the data was obtained for 2010 eRx analyses.

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

- First expense and last expense dates were between 1/1/2010 and 12/31/2010 for the 12-month reporting period
- Claims-based measure NCH processing date must be on or before 2/25/2011
- 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)
- Data from participating registries was received by 3/31/2011
- Data from eligible professionals participating with a qualified EHR was received by 3/31/2011

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

Incentive Earned Calculation by Individual Eligible Professionals Satisfying 2010 eRx Reporting Criteria

The incentive earned by each individual eligible professional satisfying reporting criteria for 2010 was 2.0% of the eligible professional's total estimated Medicare Part B PFS allowed charges for covered professional services billed under the individual's NPI during the January-December 2010 reporting period.

Incentive Earned Calculation by GPROs Satisfying 2010 eRx Reporting Criteria

The incentive earned by each participating GPRO satisfying reporting criteria for 2010 was 2.0% of the TIN's total estimated Medicare Part B PFS allowed charges for covered professional services during the January-December 2010 reporting period.

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 eligible professionals on or before February 25, 2011, but were not included in the NCH database as final-action claims when the data was obtained for 2010 eRx analyses. For more information on the PFS and Physician Reimbursement Rules, please refer to the CMS website at <http://edocket.access.gpo.gov/2010/pdf/2010-27969.pdf>.

NPI – National Provider Identifier

The individual NPI representing the eligible professional was used to determine incentive eligibility for 2010 eRx Incentive Program. The Medicare Carrier/MAC routes to each TIN a lump-sum incentive payment equal to the sum of incentive earned by each eligible professional who satisfactorily reported under that TIN for the 2010 eRx reporting period.



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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.

TIN/NPI

The key unit of analysis for the 2010 eRx incentive payment eligibility and amount was the individual NPI within a TIN. *(If an individual eligible professional furnished services for which reimbursement was claimed under more than one TIN, the eligible professional’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 2010 eRx measure, as implemented in 2010, are available for download from the CMS eRx web site).*

- *Individual Measure Specifications for 2010 eRx* can be found at: http://www.cms.gov/ERxIncentive/06_E-Prescribing_Measure.asp
- *2010 EHR Measure Specification for eRx* can be found at: http://www.cms.gov/ERxIncentive/08_Alternative%20Reporting%20Mechanism.asp
- *2010 eRx Measure Specifications for the 2010 eRx GPRO* can be found at: http://www.cms.gov/ERxIncentive/07_Group_Practice_Reporting_Option.asp

For more information, see posted FAQs related to 2010 eRx on the CMS eRx web site.

Questions?

Contact the QualityNet Help Desk at **1-866-288-8912** (TTY 1-877-715-6222) or qnetsupport@sdps.org Monday-Friday from 7:00 a.m. to 7:00 p.m. CST.