



A Guide for Understanding the 2012 Physician Quality Reporting System (PQRS) Incentive Payment

April 2013

This document describes how the 2012 PQRS 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/CMS-Selected GPROs

Incentive amounts were calculated using the following steps **for each incentive-eligible provider** (as identified by the provider's unique National Provider Identifier (NPI) and Taxpayer Identification Number (TIN) combination [i.e., NPI within a practice]) or **incentive-eligible GPRO** (TIN). Incentive payments are aggregated for all NPIs within the TIN and distributed to the TIN in a lump-sum payment. GPRO incentive payments are distributed to the associated TIN in a lump-sum payment. Any separate Maintenance of Certification Program Incentives earned by eligible professionals are also included in the lump-sum incentive payment.

Only Medicare Part B Physician Fee Schedule (PFS) claims that contained an individual NPI were included in the 2012 incentive payment calculation, which are scheduled to be available in the fall of 2013 and payable to the TIN.

Step 1: Apply the Completion Factor

- The 2012 Medicare Part B PFS total estimated allowed charges were increased to account for claims submitted by eligible professionals on or before February 22, 2013. Claims received and processed after this date into the National Claims History (NCH) were not included as part of the 2012 PQRS analysis.
- Apply the Completion Factor as follows:
 - **1.033%** for the 12-month reporting period, and
 - **1.062%** for the 6-month reporting period

Step 2: Identify the Reporting Period and Reporting Method

- Identify the reporting period and method in which the eligible professional or CMS-selected GPRO participated:
 - 12 months - EHR - Direct Submission - Medicare EHR Incentive Program Pilot
 - 12 months - EHR - Direct Submission - Physician Quality Reporting
 - 12 months - EHR - Data Submission Vendor - Medicare EHR Incentive Program Pilot
 - 12 months - EHR - Data Submission Vendor - Physician Quality Reporting
 - 12 months - 30 Beneficiary Measures Groups Claims
 - 12 months - 50% Measures Groups Claims
 - 12 months - 30 Beneficiary Measures Groups Registry
 - 12 months - 80% Measures Groups Registry
 - 12 months - Individual Claims Measures
 - 12 months - Individual Registry Measures
 - 12 months - WebInterface reporting for group practices of 25-99 eligible professionals (GPRO)
 - 12 months - WebInterface reporting for group practices of 100+ eligible professionals (GPRO)
 - 6 months - 80% Measures Groups Registry
- Identify if the eligible professional also participated in the Maintenance of Certification Program Incentive and earned an additional 0.5% incentive.
- In the event an individual eligible professional achieved satisfactory reporting under more than one method, the TIN/NPI will receive a single lump-sum incentive payment for the most advantageous reporting for which the eligible professional qualified. The incentive payment is equivalent to 0.5% of 2012 Medicare Part B PFS total estimated allowed charges for the covered professional services furnished to Medicare Part B beneficiaries.

Step 3: Calculate the Incentive for TIN

- All Medicare Part B PFS total estimated allowed charges have been adjusted to include the completion factor applicable to the reporting period for each incentive-eligible TIN/NPI combination or GPRO TIN (See page 2).
- The 0.5% incentive amount was calculated by:
 - Adding 2012 Medicare Part B PFS total estimated allowed charges (with the completion factor applied) for each TIN/NPI or GPRO TIN; then
 - Multiplying by 0.005, resulting in the total PQRS incentive amount payable to the TIN.
 - The 0.5% Maintenance of Certification Program Incentive will be included in the PQRS lump-sum incentive payment.

Feedback Reports

Individual eligible professionals can reference the TIN-level Table 1 of the *2012 Physician Quality Reporting System Feedback Report* to view the total incentive payment earned by the amounts paid by separate A/B MACs and Carriers involved (i.e., Railroad, etc.). This is shown in the “Distribution of Total Incentive Earned Among A/B MACs and Carriers That Processed Payments” section. This information is only in the TIN-level Table 1 and is not shown in the NPI-level reports. See the *2012 Physician Quality Reporting System (PQRS) Incentive Program Feedback Report User Guide* for additional information.

Group practices can access 2012 PQRS GPRO Quality and Resource Use Reports (QRUR) through the CMS QRUR Templates and Methodologies website at

<http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/PhysicianFeedbackProgram/ReportTemplate.html>.

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 2/22/13 but were not included in the NCH database as final-action claims when the data was obtained for 2012 PQRS analysis.

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

- First expense and last expense date were between 1/1/12 and 12/31/12 for the 12-month reporting period **OR** 7/1/2012 and 12/31/2012 for the 6-month reporting period
- Data from participating registries (for individual measures and measures groups) was received by 3/31/13
- Data from eligible professionals participating with a qualified EHR Direct or EHR Data Submission Vendor was received by 2/28/13
- Claims-based individual measures and measures groups NCH processing date must be on or before 2/22/13
- Claims must be marked as “final” in the Part B claims database
- Split claims in the NCH file HCPCS service lines were re-joined
- Line-items identified by Healthcare Common Procedure Coding System (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 0.5% incentive was calculated)
- Data from participating CMS-selected GPROs was received by 4/12/13

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 PQRS. Refer to information on Eligible Professionals at <http://www.cms.gov/Medicare/Quality-Initiatives-Patient-Assessment-Instruments/PQRS> > Downloads

Incentive Earned Calculation by Individual Eligible Professionals Satisfying 2012 Reporting Criteria

The incentive earned by each individual eligible professional satisfying reporting criteria for 2012 was 0.5% of the eligible professional’s total estimated Medicare Part B PFS allowed charges for covered professional services billed under the individual’s TIN/NPI during the 1/1/12-12/31/12 OR 7/1/12-12/31/12 reporting period.

Incentive Earned Calculation by CMS-Selected GPROs Satisfying 2012 Reporting Criteria

The incentive earned by each participating CMS-selected GPRO satisfying reporting criteria for 2012 was 0.5% of the TIN’s total estimated Medicare Part B PFS allowed charges for covered professional services during the 1/1/12-12/31/12 reporting period.

Medicare Part B PFS Total Estimated Allowed Charges

For purposes of PQRS analysis, the Medicare Part B PFS total estimated allowed charges were used to account for claims submitted by eligible professionals on or before 2/22/13 but were not included in the NCH database as final-action claims when the data was obtained for 2012 analysis. For more information on the PFS and Physician Reimbursement Rules, please refer to the CMS website at http://www.cms.gov/Medicare/Quality-Initiatives-Patient-Assessment-Instruments/PQRS/Downloads/2012_PFS_Final_Rule-Pub_11-28-2011.zip.

NPI – National Provider Identifier

The individual/rendering NPI representing the eligible professional was used to determine incentive eligibility for the 2012 PQRS. The Medicare Carrier or A/B 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 2012 reporting period, and/or who earned a separate Maintenance of Certification Program Incentive

TIN – Taxpayer Identification Number or Tax ID Number

For PQRS, “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 2012 PQRS 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 reporting rates and allowed charges were analyzed under each TIN separately).

Valid Instance of Reporting

A measure’s quality-data (CPT Category II or G-) code submitted on a claim is considered valid if it also contained any combination of applicable CPT Category I service code and/or ICD-9-CM diagnosis code that defines a reportable instance for the measure, as identified by the measure’s detailed specifications. *(The full, detailed specifications for all 2012 quality measures, as implemented in 2012, are available for download from the CMS PQRS web site).*

- Individual Measure Specifications for 2012 Physician Quality Reporting System can be found at: <http://www.cms.gov/Medicare/Quality-Initiatives-Patient-Assessment-Instruments/PQRS/MeasuresCodes.html>.
- Measures Groups Specifications for 2012 Physician Quality Reporting System can be found at: <http://www.cms.gov/Medicare/Quality-Initiatives-Patient-Assessment-Instruments/PQRS/MeasuresCodes.html>.

Questions?

For more information, see posted FAQs related to 2012 PQRS on the CMS web site.

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.