

# 2013 Physician Quality Reporting System (PQRS) Claims-Based Coding and Reporting Principles

## Background

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The Physician Quality Reporting System (PQRS) is a voluntary reporting program. The program provides an incentive payment to practices with eligible professionals (identified on claims by their individual National Provider Identifier [NPI] and Tax Identification Number [TIN]) who satisfactorily report data on quality measures for covered Physician Fee Schedule (PFS) services furnished to **Medicare Part B Fee-for-Service (FFS)** beneficiaries (including Railroad Retirement Board and Medicare Secondary Payer).

## Purpose

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This document describes claims-based coding and reporting and outlines steps that eligible professionals or practices should take prior to participating in 2013 PQRS.

For guidance on reporting the Electronic Prescribing Incentive Program (eRx) measure, please reference the *Claims-Based Reporting Principles for 2013 Electronic Prescribing Incentive Program* on the CMS website at <http://www.cms.gov/Medicare/Quality-Initiatives-Patient-Assessment-Instruments/ERxIncentive/> under the "Downloads" section.

## How to Get Started

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### STEP 1: Fill Out Claim(s) with Codes for Reimbursement

### STEP 2: Reference Measure Specifications

To ensure accurate application of PQRS denominator and numerator codes, reference the *2013 Physician Quality Reporting System (PQRS) Measure Specifications* available as a download on the CMS website at <http://www.cms.gov/Medicare/Quality-Initiatives-Patient-Assessment-Instruments/PQRS/MeasuresCodes>.

### STEP 3: Do a Double Check

CMS encourages eligible professionals to review their claims for accuracy prior to submission for reimbursement and reporting purposes.

### STEP 4: Review your Remittance Advice (RA)/Explanation of Benefits (EOB)

Review your RA/EOB for denial code N365. This code indicates the PQRS codes were received into the National Claims History (NCH).

## Coding and Reporting Principles

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Below are some helpful tips when reporting via claims.

### Claims-Based Reporting Principles

- 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.
  - PQRS analyzes claims data using ALL diagnoses from the base claim (item 21 of the CMS-1500 or electronic equivalent) and service codes for each individual eligible professional (identified by individual NPI) .
  - **Eligible professionals should review ALL diagnosis and encounter codes listed on the claim to make sure they are capturing ALL measures chosen to report and that are applicable to patient's care.**

- All diagnoses reported on the base claim will be included in PQRS analysis, as some measures require reporting more than one diagnosis on a claim.
  - For line items containing a QDC, only one diagnosis from the base claim should be referenced in the diagnosis pointer field.
  - To report a QDC for a measure that requires reporting of multiple diagnoses, 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, all diagnoses on the claim(s) are considered in PQRS analysis.
  
- If your billing software limits the number of line items available on a claim, you 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.
  - PQRS analysis will subsequently join claims based on the same beneficiary for the same date-of-service, for the same Taxpayer Identification Number/National Provider Identifier (TIN/NPI) and analyze as one claim.
  - **Providers should work with their billing software vendor/clearinghouse regarding line limitations for claims to ensure that diagnoses, QDCs, or nominal charge amounts are not dropped.**

A sample CMS-1500 form can be found in Appendix D of the *2013 Physician Quality Reporting System (PQRS) Implementation Guide*, available as a download on the PQRS website at <http://www.cms.gov/Medicare/Quality-Initiatives-Patient-Assessment-Instruments/PQRS/MeasuresCodes>.

### Submitting Quality-Data Codes (QDCs)

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QDCs are specified CPT II codes (with or without modifiers) and G-codes used for submission of PQRS data. QDCs can be submitted to Carriers or A/B Medicare Administrative Coordinators (MACs) either through:

- Electronic-based submission (using the ASC X 12N Health Care Claim Transaction [version 5010]);
- OR,**
- Paper-based submission using the CMS-1500 claim form [version 08-05]

### Principles for Reporting QDCs

The following principles apply for claims-based reporting of PQRS measures:

1. QDCs must be reported:
  - on the claim(s) with the denominator billing code(s) that represents the eligible Medicare Part B PFS encounter
  - for the same beneficiary
  - for the same date of service (DOS)
  - by the same eligible professional (individual NPI) who performed the covered service, applying the appropriate encounter codes (ICD-9-CM, CPT Category I or HCPCS codes). These codes are used to identify the measure's denominator.
  
2. 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 (\$0.00) charge will be rejected
  - Whether a \$0.00 charge or a nominal amount is submitted to the Carrier or A/B MAC, the PQRS code line will be denied but will be tracked in the National Claims History (NCH) for analysis
  
3. When a group bills, the group NPI is submitted at the claim level; therefore, the individual rendering/performing physician's NPI must be placed on each line item, including all allowed charges

and quality-data line items. 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).

**Note:** Claims may **NOT** be resubmitted for the sole purpose of adding or correcting QDCs.

## Remittance Advice (RA) /Explanation of Benefits (EOB)

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The RA/EOB denial code **N365** is your indication that the PQRS codes were received into the National Claims History.

- **N365** reads: “This procedure code is not payable. It is for reporting/information purposes only.”
- The **N365** denial code is just an indicator that the QDC codes were received. It does not guarantee the QDC was correct or that incentive quotas were met. However, when a QDC is reported satisfactorily (by the individual eligible provider), the **N365** can indicate that the claim will be used for calculating incentive eligibility.
- Keep track of all cases reported so that you can verify QDCs reported against the remittance advice notice sent by the Carrier or A/B MAC. Each QDC line-item will be listed with the **N365** denial remark code.

## Timeliness of Quality Data Submission

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Claims processed by the Carrier or A/B MAC must reach the national Medicare claims system data warehouse (National Claims History file) by **February 28, 2014** to be included in analysis. Claims for services furnished toward the end of the reporting period should be filed promptly.

## Additional Information

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For more information on reporting individual measures via claims, please see the following resources available as downloads on the PQRS website at <http://www.cms.gov/Medicare/Quality-Initiatives-Patient-Assessment-Instruments/PQRS/MeasuresCodes>.

- *2013 Physician Quality Reporting System (PQRS) Measure Specifications Manual and/or Release Notes*
- *2013 Physician Quality Reporting System (PQRS) Measures List*
- *2013 Physician Quality Reporting System (PQRS) QDC Categories*
- *2013 Physician Quality Reporting System (PQRS) Implementation Guide*

For more information on reporting measures groups via claims, please see the following resources available as downloads on the PQRS website at <http://www.cms.gov/Medicare/Quality-Initiatives-Patient-Assessment-Instruments/PQRS/MeasuresCodes>.

- *2013 Physician Quality Reporting System (PQRS) Measures Groups Specifications Manual*
- *2013 Physician Quality Reporting System (PQRS) Getting Started with Measures Groups*
- *2013 Physician Quality Reporting System (PQRS) Fact Sheet: PQRS Made Simple – Reporting the Preventive Care Measures Group*