

PQRS Participation and Payment Adjustments for Providers Who Rendered Services at IDTFs and ILs

The [Physician Quality Reporting System](#) (PQRS) is a Centers for Medicare & Medicaid Services (CMS) program that promotes the reporting of quality information among providers who are considered eligible and able to participate in the program, referred to as [PQRS eligible professionals](#) (EPs). PQRS gives participating EPs the opportunity to assess the quality of care they provide to their patients, helping to ensure that patients get the right care at the right time. The PQRS reporting period lasts 12 months, starting January 1st and ending on December 31st of each calendar year. EPs who do not satisfactorily report data on quality measures for covered professional services will be subject to a future payment adjustment under PQRS, applied two years after the PQRS reporting period. Therefore, EPs who did not meet the PQRS reporting requirements during the 2013 program year will receive a negative 1.5 percent adjustment to all of their Part B Medicare Physician Fee Schedule (MPFS) reimbursements during the 2015 calendar year. For 2016 and subsequent years, the PQRS payment adjustment is a negative 2.0 percent.

During PQRS program years 2013 and 2014, CMS issued guidance that EPs who rendered services at independent diagnostic testing facilities (IDTFs) would be eligible, but not able, to participate in PQRS due to the IDTF's billing methodology. In March of 2015, CMS announced that some of the services rendered under IDTFs will meet the billing methodology requirements that will be analyzed under the PQRS and that EPs who render services under IDTFs should participate in PQRS to avoid future payment adjustments.

After further review, CMS is announcing that EPs who provide services under an IDTF or an independent lab (IL) (and on behalf of services provided by that IDTF or IL) are not able to participate in PQRS. Therefore EPs who provide services under an IDTF or IL will not receive the 2015 – 2018 PQRS payment adjustments for services associated with the IDTF or IL.

Note: Participation in PQRS is analyzed at the individual National Provider Identifier (NPI) level within a Tax Identification Number (TIN), or analyzed by unique TIN/NPI combinations. Therefore, EPs who work for more than one organization may need to meet the PQRS payment adjustment reporting requirements to avoid the future PQRS payment adjustment under other TINs. Any services that an EP bills, using their NPI, under a non-IDTF or non-IL will be subject to PQRS participation rules.

Corrections to 2015 MPFS Reimbursements

If services rendered under an IDTF or IL received the PQRS payment adjustment on a 2015 Part B MPFS reimbursement, the claim will be automatically reprocessed to return the 1.5 percent adjustment. **Only** services rendered at the IDTF or IL will be automatically reprocessed. Please allow several months for reprocessing of claims and corrections to the payment adjustment. The remittance advice for the reprocessed claims will indicate that the payment represents a previous reduction based on the PQRS, as indicated by the following claim adjustment reason code (CARC) and remittance advice remark code (RARC):

- CARC 237 – Legislated/Regulatory Penalty, to designate when an upward payment adjustment will be applied; and
- RARC N699 – Payment adjusted based on the Physician Quality Reporting System (PQRS) Incentive Program.

No action is required on the part of the IDTFs or ILs in order for corrections to the 2015 MPFS reimbursements to occur.

Please call the QualityNet Help Desk at 1-866-288-8912 (TTY 1-877-715-6222) or via gnetssupport@hcqis.org for help with questions. They are available from 7:00 a.m. to 7:00 p.m. Central Time Monday through Friday.