

# PQRS Payment Adjustments and Providers Who Rendered Services at IDTFs

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The Physician Quality Reporting System (PQRS) is a program that promotes the reporting of quality information by eligible professionals (EPs) and group practices. Participation in PQRS is at the individual National Provider Identifier (NPI) level within a Tax Identification Number (TIN). EPs who worked for more than one organization during the 2013 PQRS program year (January 1, 2013 through December 31, 2013) had to meet the payment adjustment reporting requirements for each TIN under which he or she worked to avoid the 2015 PQRS payment adjustment for each TIN, or for each specific TIN/NPI combination. Beginning January 1, 2015, EPs who did not meet the PQRS reporting requirements during the 2013 program year will receive the negative 1.5 percent adjustment to all of their Part B Medicare Physician Fee Schedule (MPFS) reimbursements.

During PQRS program years 2013 and 2014, the Centers for Medicare & Medicaid Services (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 their billing methodology. However, based on recent analysis, CMS has identified that services provided at or on behalf of an IDTF align with the billing methodology used for PQRS; therefore, these EPs **are** eligible and able to participate in PQRS.

## Corrections to 2015 MPFS Reimbursements

CMS is working to correct this guidance; therefore, EPs who rendered services at IDTFs will not receive the negative 2015 or 2016 PQRS payment adjustment. If an EP working at an IDTF receives a PQRS payment adjustment on his or her 2015 Part B MPFS reimbursements, the claim will be automatically reprocessed to return the 1.5 (or 2.0) percent adjustment **only** for services rendered at the IDTF. Please allow several months for reprocessing of claims and corrections to the payment adjustments. The remittance advice for the reprocessed claims will indicate that the payment represents a previous reduction based on the PQRS, as indicted 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.
- RARC N699 – Payment adjusted based on the Physician Quality Reporting System (PQRS) Incentive Program.

## Participation Required in 2015 PQRS Program Year

**Starting with PQRS program year 2015 (January 1, 2015 through December 31, 2015), EPs who render Part B MPFS services via the CMS-1500 or electronic equivalent form at an IDTF facility or on its behalf should participate in the PQRS to avoid the negative PQRS payment adjustment in 2017.** Information on how to participate in the 2015 PQRS is available on the CMS [PQRS website](#).

Below are examples of how an EP who bills/works at an IDTF can be eligible to participate in 2015 PQRS. Please note that these examples are not an exhaustive list of potential scenarios for EPs who work at IDTFs:

**Scenario 1: IDTF bills for interpreted services on site.** An IDTF hires a physician to provide interpretation services for the diagnostic tests it performs. The IDTF bills for the interpretive services under the MPFS via the CMS-1500 form or electronic equivalent. If the services have a nominal fee, such as one cent or more and fall into the denominator of one or more 2015 PQRS measures, then the EP is eligible and able to report for PQRS and should participate in 2015 PQRS to avoid the 2017 payment adjustment.

**Scenario 2: IDTF bills for interpreted services off site.** An IDTF contracts with an independent practitioner off the premises of the IDTF. The independent practitioner provides interpretive services for the IDTF, but performs these services in his or her office, not on the premises that the IDTF owns or leases. The IDTF bills for the interpretive services under the MPFS via the CMS-1500 claim form or electronic equivalent. If the services have

a nominal fee, such as one cent or more and fall into the denominator of one or more 2015 PQRS measures, then this EP is eligible and able to report for PQRS and should participate in 2015 PQRS to avoid the 2017 payment adjustment.

**Scenario 3: Interpreting practitioner is referring physician.** An IDTF contracts with an independent practitioner off the premises of the IDTF. The practitioner orders a diagnostic test from the IDTF for one of his or her patients. Based on Medicare billing guidelines, the IDTF cannot bill for the interpretive services because the interpreting practitioner is the practitioner who ordered the test. The interpreting practitioner must bill for the interpretation services. Thus, the practitioner bills for the interpretive services under the MPFS via the CMS-1500 claim form or electronic equivalent. If the services have a nominal fee, such as one cent or more and fall into the denominator of one or more 2015 PQRS measures, then this EP is eligible and able to report for PQRS and should participate in 2015 PQRS to avoid the 2017 payment adjustment.

For scenario 3, the EP must be sure to meet the 2017 PQRS reporting requirements for each TIN under which he or she works during the PQRS 2015 program year in order to avoid being subject to the 2017 PQRS negative payment adjustment under each TIN.

In summary, EPs at IDTFs will not be assessed for the 2015 or 2016 PQRS negative payment adjustment; however, EPs who render services at IDTFs *should* participate in the PQRS starting in 2015 to avoid the PQRS negative payment adjustment in 2017 and beyond.

### Additional Resources

- For details regarding the 2015 PQRS payment adjustment, please see the [Payment Adjustment Information](#) page of the [PQRS website](#).
- Supporting information will soon be posted on the [Frequently Asked Questions](#) page.
- For details regarding PQRS participation, please see the [How to Get Started](#) page of the [PQRS website](#).
- For additional questions, please contact the QualityNet Help Desk at (866) 288-8912, TTY (877) 715-6222, or via [qnetssupport@hcqis.org](mailto:qnetssupport@hcqis.org). The help desk is available from 7:00 a.m. to 7:00 p.m. Central Time Monday through Friday.