



## Quick-Reference Guide for Understanding the 2015 Physician Quality Reporting System (PQRS) Negative Payment Adjustment

### Purpose

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This document describes how the 2015 PQRS negative payment adjustment was 1) assessed and 2) applied for individual eligible professionals (EPs) and group practices participating in the PQRS group practice reporting option (GPRO).

*Note: This document focuses only on the **PQRS negative payment adjustment** and **does not** provide guidance for other Medicare or Medicaid incentive programs, such as the [Electronic Health Record \(EHR\) Incentive Program](#) or the [Value-based Payment Modifier \(VM\)](#). See the [Additional Information](#) section below for links to the Centers for Medicare & Medicaid Services (CMS) VM website, and the Medicare and Medicaid EHR Incentive Program website for payment adjustment details on other CMS programs.*

### Background

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Section 1848(a)(8) of the Social Security Act requires CMS to subject EPs and group practices participating in PQRS GPRO who do not satisfactorily report data on PQRS quality measures for covered professional services during the 2013 program year to a negative payment adjustment beginning in 2015. EPs and group practices participating in PQRS GPRO receiving a PQRS negative payment adjustment in 2015 will be paid 1.5% less than the Medicare Physician Fee Schedule (MPFS) amount for those services rendered January 1 to December 31, 2015.

The applicable percent for negative payment adjustments under PQRS are as follows:

<b>1.5% adjustment in 2015</b>	<ul style="list-style-type: none"><li>• EPs or group practices participating in PQRS GPRO will receive 98.5% of their allowed Medicare Part B PFS amount for covered professional services that would otherwise apply to such services.</li></ul>
<b>2.0% adjustment in 2016 and subsequent years</b>	<ul style="list-style-type: none"><li>• EPs or group practices participating in PQRS GPRO will receive 98% of their allowed Medicare Part B PFS amount for covered professional services that would otherwise apply to such services.</li></ul>

CMS defines providers who are eligible and able to participate in PQRS. The [Physician Quality Reporting System \(PQRS\) List of Eligible Professionals](#) document posted on the CMS PQRS website contains this information.

## 2015 PQRS Negative Payment Adjustment – Assessment

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### Individual EPs

Those who were eligible and able to participate in PQRS in 2013 will be subject to the 2015 PQRS negative payment adjustment if they:

- Failed to meet the requirements for satisfactorily reporting as defined in the 2013 PQRS measure specifications (same criteria as 2013 PQRS incentive eligibility).  
*Note: If reporting for PQRS through another CMS program (such as the Medicare Shared Savings Program, Comprehensive Primary Care Initiative, Pioneer Accountable Care Organizations), please check the program's requirements for information on how to report quality data to earn a PQRS incentive and/or avoid the PQRS payment adjustment.*
- Failed to report at least one valid measure via claims, participating registry, or participating/qualified EHR (data submission vendors and direct EHRs), **OR** one valid measures group via claims or registry, regardless of incentive eligibility.
- Failed to register and elect the administrative claims reporting mechanism between July 15, 2013 and October 15, 2013.

CMS will determine whether an individual EP (defined by individual rendering National Provider Identifier, or NPI) is subject to a negative payment adjustment for each Taxpayer Identification Number (TIN). Therefore, analysis for individual EPs is conducted at a TIN/NPI level.

### Group Practices

Those group practices who self-nominated to participate in the PQRS GPRO and reported under their TIN would be subject to the 2015 PQRS negative payment adjustment if the group:

- Failed to meet the requirements for satisfactorily reporting to earn the 2013 PQRS incentive payment. Group practices participating via PQRS GPRO should reference the *2013 PQRS GPRO Web Interface Specifications*, or the *2013 PQRS Measures Specifications for Claims/Registry Reporting of Individual Measures* based on reporting method indicated during self-nomination.  
*Note: If reporting for PQRS through another CMS program (such as the Medicare Shared Savings Program, Comprehensive Primary Care Initiative, Pioneer Accountable Care Organizations), please check the program's requirements for information on how to report quality data to earn a PQRS incentive and/or avoid the PQRS payment adjustment.*
- Failed to report at least one valid measure through the Web Interface (available to PQRS group practices with 25+ EPs), **OR** through a registry (available to all group sizes participating in PQRS GPRO), regardless of incentive eligibility.
- Failed to register to participate as a PQRS group practice and elect the administrative claims reporting mechanism between July 15, 2013 and October 15, 2013.

### EPs Who Submitted Claims Under Multiple TINs

CMS groups claims by TIN/NPI for analysis and payment adjustment purposes. As a result, an EP who submitted claims under multiple TINs may be subject to a PQRS negative payment adjustment under one of the TINs and not the other(s), or may be subject to a negative payment adjustment under each TIN.

## 2015 PQRS Negative Payment Adjustment – Application

- If an individual EP reported PQRS data or billed for denominator-eligible (eligible patient population) services in 2013, the *2015 PQRS Payment Adjustment Feedback Report* is the final determination of whether the EP met at least one of the 2013 PQRS criteria for avoiding the 2015 PQRS negative payment adjustment. Individual EPs will be able to access the report through the [Physician and Other Health Care Professionals Quality Reporting Portal \(Portal\)](#) with Individuals Authorized Access to the CMS Computer System (IACS). EPs may also request an NPI-level report through the [Communication Support Page](#).
- If a group practice reported PQRS data in 2013, the 2013 Quality and Resource Use Report (QRUR) is the final determination of whether the group practice met at least one of the 2013 PQRS criteria for avoiding the 2015 PQRS negative payment adjustment. Group practices participating in PQRS GPRO will be able to access 2015 PQRS payment adjustment data through the CMS Physician Feedback Program QRUR, accessible through the [CMS Enterprise Portal](#) with IACS login.
  - Group practices participating in the Medicare Shared Savings Program Accountable Care Organization (ACO), Pioneer ACO, and Comprehensive Primary Care Initiative will not receive QRURs but can obtain their PQRS information by contacting the QualityNet Help Desk at 1-866-288-8912.
- The PQRS negative payment adjustment (applied for not satisfactorily reporting) will result in an individual EP, or group practice participating in PQRS GPRO, receiving 98.5% of his or her Medicare Part B PFS allowed charges amount that would otherwise apply to such services (or 1.5% less reimbursement) for all charges with dates of service from January 1 – December 31, 2015.
- Individual EPs and group practices receiving the 2015 PQRS negative payment adjustment will see the indicator “LE” on their Remittance Advice for all Medicare Part B services rendered from January 1 – December 31, 2015. The remittance advice will also contain the following Claim Adjustment Reason Code (CARC) and Remittance Advice Remark Code (RARC):

**CARC 237**

• Legislated/Regulatory Penalty, to designate when a negative or downward payment adjustment will be applied.

**RARC N699**

• Payment adjusted based on the PQRS Incentive Program.

- Individual EPs or group practices participating in PQRS GPRO will receive adjusted 2015 MPFS reimbursements as they would normally receive payment for MPFS covered professional services furnished to Medicare beneficiaries.
- The 2015 PQRS negative payment adjustment will be applied separately from the 2014 PQRS incentive payment or any other CMS incentive program payments or adjustments.
- EPs or group practices participating in PQRS can request an informal review if they are subject to the 2015 PQRS negative payment adjustment. Information on how to submit an informal review request for the 2015 PQRS negative payment adjustment is located in the [2013 PQRS Incentive Eligibility & New 2015 Negative Payment Adjustment – Informal Review Made Simple](#) fact sheet.
- If the individual EP or group practice participating in PQRS GPRO is not subject to the negative payment adjustment according to their feedback report, but sees a payment adjustment, please contact the [QualityNet Help Desk](#). In the event that the individual EP or group practice receives the negative payment adjustment in error, the claim will be reprocessed to return the 1.5%.

- If the individual EP or group practice participating in PQRS GPRO is subject to the negative payment adjustment and the adjusted amount received does not match 1.5% less than their standard reimbursement, contact the Carrier or Part A and Part B Medicare Administrative Contractor.

## **2015 Negative Payment Adjustment – Additional Information for PQRS and other CMS Reporting Programs**

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- For more information related to the 2015 PQRS negative payment adjustment, please refer to the [PQRS webpage](#) on the CMS website and the PQRS [Payment Adjustment Information webpage](#).
- For information on the VM and administrative claims reporting mechanism election, visit the [CMS VM webpage](#).
- For information on the Medicare and Medicaid EHR Incentive Program, visit the [EHR Incentive Programs webpage](#).

## **Questions?**

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For more information, see posted FAQs related to the PQRS negative payment adjustment on the [CMS website](#). Use the search field to find specific FAQs related to this topic.

Contact the **QualityNet Help Desk** at **1-866-288-8912** (TTY 1-877-715-6222) or [Qnetsupport@hcqis.org](mailto:Qnetsupport@hcqis.org) Monday-Friday from 7:00 a.m. to 7:00 p.m. CT.

# Appendix A

## Resources/Key Terms Used in the 2015 PQRS Payment Adjustment Analysis and Documentation

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### **Medicare Part B Physician Fee Schedule (PFS) Total Estimated Allowed Charges**

For more information on the Medicare PFS and Physician Reimbursement Rules, please refer to the [Federal Register Final Rule document](#).

### **National Provider Identifier (NPI)**

The individual rendering NPI representing the eligible professional (EP) was used to analyze services rendered during the January 1 – December 31, 2013 reporting period.

### **Taxpayer Identification Number (TIN) or Tax ID Number**

For PQRS, “TIN” includes all of the following types of identifiers used by providers to submit claims to CMS:

- 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 Internal Revenue Service (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 individual EP that was used to determine eligibility for the 2015 PQRS payment adjustment was the individual NPI within a TIN. The TIN used in CMS’ analysis is the Federal Tax ID number entered by the provider on submitted Part B claims. If an individual EP furnished services for which reimbursement was claimed under more than one TIN, the EP’s PQRS reporting rates and allowed charges were analyzed under each TIN separately.