

DEPARTMENT OF HEALTH AND HUMAN SERVICES
Centers for Medicare & Medicaid Services



News Flash

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- ["Intensive Behavioral Therapy \(IBT\) for Obesity,"](#) Booklet, ICN 907800, Downloadable

MLN Matters® Number: MM7879

Related Change Request (CR) #: CR 7879

Related CR Release Date: August 3, 2010

Effective Date: October 29, 2012

Related CR Transmittal #: R10QRI

Implementation Date: October 29, 2012

Physician Quality Reporting System and Electronic Prescribing (eRx) Incentive Program – Pub 100-22 Medicare Quality Reporting Incentive Programs Manual Update

Provider Types Affected

This MLN Matters® Article is intended for physicians, practitioners, and therapists who participate, or wish to participate, in the Medicare Physician Quality Reporting System and/or the E-Prescribing Incentive program.

What You Need to Know

Change Request (CR) 7879 updates the "Medicare Quality Reporting Incentive Programs Manual" to incorporate and consolidate information (from various other sources) about the Physician Quality Reporting System and the Electronic Prescribing (eRx) Incentive Program. CR7879 does not establish any new requirements for the Physician Quality Reporting System, but simply includes relevant information in the manual that was contained in previous CRs and in annual Medicare Physician Fee Schedule legislation.

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Background

CR7879, from which this article is taken, incorporates information contained in existing CRs and Medicare Physician Fee Schedule (MPFS) legislation into the "Medicare Quality Reporting Incentive Programs Manual," Chapters 1 (The Physician Quality Reporting System) and 2 (The Electronic Prescribing (eRx) Incentive Program).

As a refresher, relevant parts of the manual revisions made by CR7879 are summarized as a refresher as follows:

Physician Quality Reporting System

The Physician Quality Reporting System (previously known as the Physician Quality Reporting Initiative or PQRI) is a voluntary reporting program that provides a combination of incentive payments and payment adjustments to identified individual eligible professionals, and group practices, who satisfactorily report data on quality measures for covered professional services.

The Affordable Care Act makes further changes to the Physician Quality Reporting System, including the following:

1. Authorizing incentive payments until 2014;
2. Requiring payment adjustments beginning in 2015 for eligible professionals who do not satisfactorily report data on quality measures during the applicable reporting period for the year;
3. Requiring timely feedback to participating eligible professionals;
4. Requiring the establishment of an informal review process through which eligible professionals may seek a review of the determination that an eligible professional did not satisfactorily submit data on quality measures for purposes of qualifying for a Physician Quality Reporting System incentive payment; and
5. Making an additional incentive payment available for those eligible professionals who satisfactorily report data on quality measures for a year and having that data submitted on their behalf through a Maintenance of Certification Program and participate in a Maintenance of Certification Program practice assessment more frequently than is required to qualify for or maintain board certification status.

In addition, beginning in 2010, group practices who have reassigned their billing rights to the TIN) can qualify to earn a Physician Quality Reporting System incentive payment based on the determination that the group practice (as a whole) satisfactorily reports Physician Quality Reporting System quality measures data.

In 2012, the definition of Group Practice Reporting Option (GPRO) was extended to include group practices comprised of a TIN with at least 25 or more eligible professionals. Therefore, effective beginning January 1, 2012, "group practice" is defined as a TIN with at least 25 eligible professionals (as identified by NPIs) who have reassigned their billing rights to the TIN.

In order to participate in the GPRO, group practices are required to complete a self-nomination process, the specific requirements of which can be found in the Group Practice Reporting Option

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section of the Centers for Medicare & Medicaid Services (CMS) Physician Quality Reporting System located at <http://www.cms.gov/Medicare/Quality-Initiatives-Patient-Assessment-Instruments/PQRS/index.html> on the CMS website.

How much is the payment?

A participating individual eligible professional or group practice who satisfactorily reports data on Physician Quality Reporting System quality measures may earn an incentive payment equal to the applicable quality percent of the Secretary of the Department of Health and Human Services’ (HHS) estimate of allowed part B charges for covered professional services furnished by the eligible professional or group practice during a specified reporting period.

The applicable quality percentages for years 2007-2014 are displayed in the following table:

2007 and 2008	1.5%
2009 and 2010	2.0%
2011	1.0%
2012-- 2014	0.5%

In addition, from 2011 through 2014, participating eligible physicians may qualify to earn an additional Maintenance of Certification Program incentive (the applicable quality percent for each year is 0.5%). To earn this additional incentive payment, each year, the physician must:

1. Satisfactorily submit data on quality measures (i.e. meet the criteria for satisfactory reporting to earn a Physician Quality Reporting System reporting incentive) for the 12-month reporting that applies for the year;
2. Have such data submitted on their behalf through a Maintenance of Certification Program that meets the criteria for registry (as specified by CMS) or an alternative form and manner that the Secretary determines is appropriate;
3. Participate in a Maintenance of Certification Program more frequently than is required to qualify for or maintain board certification status; and
4. Successfully complete a qualified Maintenance of Certification Program practice assessment more frequently than is required to qualify for or maintain Board certification status.

What is measured?

For 2012, CMS retained all of the 2011 Physician Quality Reporting System measures groups; and added 8 new measures groups, for a total of 22 measures groups. In addition, 15 specific conditions contained in these measures groups are also reportable as individual measures.

You can find the complete list of the individual Physician Quality Reporting System quality measures for a specific program year, along with the associated detailed measure specifications and respective reporting requirements, at <http://www.cms.gov/Medicare/Quality-Initiatives-Patient-Assessment-Instruments/PQRS/index.html> on the CMS website. Additionally, measures group specifications for

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the current or upcoming program year can be found on the Measures Codes page of the same website.

Electronic Prescribing (eRx) Incentive Program

Section 132 of the Medicare Improvements for Patients and Providers Act (MIPPA) also required the Secretary to establish a new incentive program for individual eligible professionals who are successful electronic prescribers as defined by MIPPA beginning on January 1, 2009, and for group practices under the Group Practice Reporting Option (GPRO) beginning in 2010.

The eRx Incentive Program encourages significant expansion of the use of eRx by authorizing a combination of financial incentives and payment differentials, which is separate from, and in addition to, any incentive payment that eligible professionals may earn through the Physician Quality Reporting System program.

Who Can Participate?

For purposes of the eRx Incentive Program, the definition of "individual eligible professional" is identical to that for the Physician Quality Reporting System. All Medicare-enrolled professionals in these categories are eligible to participate in the eRx Incentive Program regardless of whether you have signed a Medicare participation agreement to accept assignment on all claims. Further, unless you want to participate in the eRx Incentive Program under the GPRO, you do not have to participate in the Physician Quality Reporting System to participate in the eRx Incentive Program, or vice-versa.

Finally, you should be aware that there are circumstances in which an individual professional is eligible to participate in the eRx program, but is not subject to the payment adjustment; for example, the eligible professional is not a physician (MD, DO, or podiatrist), nurse practitioner, or physician assistant as of the reporting period, or does not have prescribing privileges for the reporting period.

As in the Physician Quality Reporting System, group practices who participate in the eRx GPRO are eligible to qualify for an eRx incentive payment based on the determination that the group practice, as a whole, is a successful electronic prescriber.

The current definition of group practice for the eRx Incentive Program mirrors the 2012 definition of group practice for the 2012 Physician Quality Reporting System. As described above, a group practice is defined as a TIN with at least 25 or more individual eligible professionals (as identified by NPIs) who have reassigned their billing rights to the TIN. The definition also includes those groups participating in certain Medicare-approved demonstration projects or various other CMS programs, under which Physician Quality Reporting System requirements and the associated incentives have been incorporated, such as groups participating in the Medicare Shared Savings Program.

Unlike an individual eligible provider, however, in order for a group practice to participate in the eRx Incentive Program through the GPRO, group practices must have self-nominated and been selected by CMS to participate. Please note also, that once a group practice TIN is selected to participate in the GPRO for a particular program year, this is the only method of eRx Incentive Program participation available to the group and all individual NPIs who bill Medicare under the group's TIN for that program year. In other words, an individual eligible professional who is a member of a group practice selected to participate in the eRx GPRO for a particular program year is not eligible to separately earn an eRx

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incentive payment as an individual eligible professional for the same TIN/NPI combination for that year.

You should also keep in mind that, beginning in 2012, group practices will also be assessed for applicability of the payment adjustment. Although the determination of whether a GPRO is a successful electronic prescriber will be analyzed at the TIN level, if a group practice elects to participate in the eRx GPRO for a particular program year and fails to meeting the reporting thresholds for reporting its eRx activities (i.e., fails to become a successful electronic prescriber); each eligible professional who belongs to the group practice will be subject to the payment adjustment, regardless of whether or not the eligible professional, as an individual, successfully reports.

How much is the payment?

An individual eligible professional may qualify to earn an incentive payment or receive a payment adjustment equal to a percentage of the total estimated Medicare Part B allowed charges for covered professional services furnished by the eligible professional during the respective reporting period. The incentive payments for successful electronic prescribers for each authorized year are displayed in the following table.

2009	2.0%
2010	2.0%
2011	1.0%
2012 and 2013	1.0%

In addition to the eRx incentive payment, beginning in 2012 a PFS payment adjustment applies to those who are not successful electronic prescribers for the payment adjustment reporting period. The payment adjustments for eligible professionals who are not successful electronic prescribers for each authorized year are displayed in the following table.

2012	1.0%
2013	1.5%
2014	2.0%

An eRx payment is a lump sum payment based upon allowed charges for all covered professional services (paid under or based upon the Medicare PFS only), not just those charges associated with eRx events. It is calculated at the individual eligible professional level using individual NPI data, and (beginning in 2010) for group practices participating in the eRx GPRO, at the group practice level using TIN data. CMS uses the TIN as the billing unit so that individual incentive payments for groups that bill under one TIN are aggregated and paid to the TIN holder of record (regardless of whether the incentive payment was earned by an individual eligible professional or a group practice). Because some individuals may be associated with more than one practice, and CMS makes an incentive payment for each unique TIN/NPI combination, an eligible professional who qualifies for the eRx incentive payment under more than one TIN could receive a separate eRx incentive payment associated with each TIN.

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You should be aware that there is a limitation with regard to the application of the incentive and the payment adjustment. The incentive and payment adjustment do not apply to eligible professionals (and group practices participating in the eRx GPRO) if the Medicare allowed charges for all covered professional services for the codes to which the eRx quality measure applies are less than 10% of the total allowed charges under Medicare Part B for all such covered professional services furnished by the eligible professional (or group practice), during the reporting period. Also, please note that an eligible professional may not receive incentive payments under both the Medicare eRx Incentive Program and Medicare EHR Incentive Program, however they may receive an incentive under the Medicare EHR Incentive Program and a payment adjustment under the Medicare eRx Incentive Program.

What is Measured?

The measure for the eRx Incentive Program is the number of unique visits amassed during the reporting period in which an electronic prescription was generated. The 2012 reporting period for eRx Incentive Program incentive payments is January 1, 2012 to December 31, 2012. Normally, there are two reporting periods for eRx Incentive Program payment adjustments: 1) The 12-month calendar year 2 years prior to the applicable payment adjustment; and 2) A 6-month reporting period occurring during the first 6 months of the calendar year prior to the applicable payment adjustment. For the 2012 payment adjustment, there is only one reporting period: the 6-month reporting occurring during the first 6 months of 2011.

Additional Information

You can find more information about the Physician Quality Reporting System and Electronic Prescribing (eRx) Incentive Program by going to CR7879, located at <http://www.cms.hhs.gov/Regulations-and-Guidance/Guidance/Transmittals/Downloads/R10QRI.pdf> on the CMS website. You will find the updated chapters of the "Medicare Quality Reporting Incentive Programs Manual" as an attachment to that CR.

To learn more about how to start reporting quality measures for the Physician Quality Reporting System, see the "How to Get Started" section of the Physician Quality Reporting System website, available at <http://www.cms.gov/Medicare/Quality-Initiatives-Patient-Assessment-Instruments/PQRS/index.html> on the CMS website.

You might also want to read MLN Matters article MM6935 "The Physician Quality Reporting Initiative (PQRI) and E-Prescribing (eRx) Medicare Quality Reporting Incentive Programs Manual" which you can find at <http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/Downloads/MM6935.pdf>, MM6514, "Coding and Reporting Principles for the Physician Quality Reporting Initiative (PQRI) and the Electronic Prescribing (E-Prescribing) Incentive Programs," at <http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/Downloads/MM6514.pdf>, and Special Edition Article SE1206, "2012 Electronic Prescribing (eRx) Incentive Program: Future Payment Adjustments," at

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<http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/downloads/SE1206.pdf>, all on the CMS website.

If you have any questions, please contact your carrier or A/B MAC at their toll-free number, which may be found at <http://www.cms.hhs.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/downloads/CallCenterTollNumDirectory.zip> on the CMS website.

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