

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



MLN Matters® Number: SE1606

Related Change Request (CR) #: N/A

Related CR Release Date: N/A

Effective Date: N/A

Related CR Transmittal #: N/A

Implementation Date: N/A

## Guidance on the Physician Quality Reporting System (PQRS) 2014 Reporting Year and 2016 Payment Adjustment for Rural Health Clinics (RHCs), Federally Qualified Health Centers (FQHCs), and Critical Access Hospitals (CAHs)

**Note:** We revised this article on June 6, 2019, to update the web links. All other information is unchanged.

### Provider Types Affected

This article is intended for Rural Health Clinics (RHCs), Federally Qualified Health Centers (FQHCs), and Critical Access Hospitals (CAHs) who submit claims to Medicare Administrative Contractors (MACs) for services furnished to Medicare beneficiaries.

### What You Need to Know

In this informational article the Centers for Medicare & Medicaid Services (CMS) provides answers to some frequently asked questions raised by staff at RHCs, FQHCs, and CAHs.

### Frequently Asked Questions - RHCs and FQHCs

#### Question:

If I furnish professional Medicare Part B services **only** at an RHC or an FQHC, are the services eligible for PQRS?

#### Answer:

If you bill professional services paid under or based on the Part B Medicare Physician Fee Schedule (PFS) submitted via CMS-1500 or CMS-1450 claim form or the electronic equivalents 837P and 837I, you are considered a PQRS Eligible Professional (EP) and you **are** subject to PQRS analysis. Technical services, which are covered under Part B Medicare PFS, are **not** eligible for PQRS.

#### Disclaimer

This article was prepared as a service to the public and is not intended to grant rights or impose obligations. This article may contain references or links to statutes, regulations, or other policy materials. The information provided is only intended to be a general summary. It is not intended to take the place of either the written law or regulations. We encourage readers to review the specific statutes, regulations and other interpretive materials for a full and accurate statement of their contents. CPT only copyright 2015 American Medical Association. All rights reserved.

Additionally, services rendered under billing methodologies other than Part B Medicare PFS will **not** be included in PQRS analysis (that is, an EP who bills under an organization that is registered as a Federally Qualified Health Center [FQHC], yet he or she renders services that are not covered by the FQHC methodology).

The “[2015 Physician Quality Reporting System List of Eligible Professionals](#)” is available on the CMS website.

**Question:**

I’m an EP and I furnish professional Medicare Part B services at an RHC/FQHC and also furnish services at a non-RHC/FQHC setting. Are the non-RHC/FQHC services eligible for the 2016 PQRS negative payment adjustment?

**Answer:**

If an eligible PQRS EP renders services under the Medicare PFS in addition to services under other billing schedules or methodologies, he or she must meet the PQRS reporting requirements for those services that fall under the Medicare PFS to avoid future payment adjustments regardless of the organization’s participation in other fee schedules or methodologies.

**Question:**

Under what circumstances are professional Part B Medicare PFS services furnished by an EP at a setting outside an RHC/FQHC subject to the 2016 PQRS 2.0 percent negative payment adjustment?

**Answer:**

An EP is subject to the 2016 PQRS 2.0 percent negative payment adjustment if he or she has not satisfactorily reported 2014 PQRS quality measures as required by the EP’s selected reporting mechanism (that is, as an individual EP or as an EP who is a part of a PQRS group practice).

To find timeline information, refer to the “[2015 – 2017 Physician Quality Reporting System \(PQRS\) Timeline](#)” on the CMS website.

To find general PQRS information, including information about payment adjustments, please review the [PQRS Fact Sheet](#).

For additional questions, contact the QualityNet Help Desk at 1-866-288-8912 (TTY 1-877-715-6222) or via [qnetsupport@hcqis.org](mailto:qnetsupport@hcqis.org). The Help Desk is available from 7:00 a.m. to 7:00 p.m. Central Time, Monday through Friday.

## Frequently Asked Questions - CAHs

---

**Question:**

I’m an EP who furnishes professional Medicare Part B services at a CAH and the CAH is paid under the Optional Payment Method (Method II). Are my services eligible for PQRS?

**Disclaimer**

This article was prepared as a service to the public and is not intended to grant rights or impose obligations. This article may contain references or links to statutes, regulations, or other policy materials. The information provided is only intended to be a general summary. It is not intended to take the place of either the written law or regulations. We encourage readers to review the specific statutes, regulations and other interpretive materials for a full and accurate statement of their contents. CPT only copyright 2015 American Medical Association. All rights reserved.

**Answer:**

Yes, beginning in 2014, EPs at CAHs who bill Medicare Part B using Method II can participate in PQRS (and the Electronic Health Record [EHR] Incentive Program) if they add their Individual National Provider Identifier (NPI) on the CMS-1450 Institutional Claim form (**not** the CMS-1500 form). For the 5010 version of the 837 I, Fiscal Intermediary Shared System (FISS) shall accept rendering physician/practitioner information at the line level (loop 2420A) or at the claim level if the rendering physician/practitioner is different from the attending physician/practitioner (loop 2310D).

For the 2014 PQRS program year, EPs who bill using CAH Method II will **not** be able to report via the claims-based reporting mechanism as the claims system needed to be updated to pull PQRS Quality-Data Codes (QDCs) off the 1450 claim form and only pulled off of the CMS 1500 claim form in 2014. However, EPs who bill using CAH Method II **will** be able to report PQRS via Registry, EHR, Qualified Clinical Data Registry (QCDR), and Group Practice Reporting Option (GPRO).

If you need assistance determining whether or not your provided services are included in PQRS measures, please contact the QualityNet Help Desk at 1-866-288-8912 (TTY 1-877-715-6222) or via [qnetssupport@hcqis.org](mailto:qnetssupport@hcqis.org). The QualityNet Help Desk is available from 7:00 a.m. to 7:00 p.m. Central Time, Monday through Friday.

**Question:**

I'm a CAH provider paid under Method II. Am I required to report line-item rendering NPI information?

**Answer:**

Yes, a CAH provider paid under Method II is required to report the rendering NPI at the line level if it is different from the rendering NPI at the claim level. For more information about this billing standard requirement, refer to "[Fiscal Intermediary Shared System \(FISS\) and Common Working File \(CWF\) System Enhancement for Storing Line Level Rendering Physicians/Practitioners National Provider Identifier \(NPI\) Information](#)" on the CMS website.

## Additional Information

---

For more information about EPs under CAH II participating in PQRS, refer to the "CAH-II Reporting for PQRS" toolkit at [https://www.cms.gov/Medicare/Quality-Initiatives-Patient-Assessment-Instruments/PQRS/Downloads/2016\\_PA\\_Toolkit.PDF](https://www.cms.gov/Medicare/Quality-Initiatives-Patient-Assessment-Instruments/PQRS/Downloads/2016_PA_Toolkit.PDF).

If you have questions, your MACs may have more information. Find their website at <http://go.cms.gov/MAC-website-list>.

**Disclaimer**

This article was prepared as a service to the public and is not intended to grant rights or impose obligations. This article may contain references or links to statutes, regulations, or other policy materials. The information provided is only intended to be a general summary. It is not intended to take the place of either the written law or regulations. We encourage readers to review the specific statutes, regulations and other interpretive materials for a full and accurate statement of their contents. CPT only copyright 2015 American Medical Association. All rights reserved.

## DOCUMENT HISTORY

---

Date of Change	Description
June 6, 2019	We revised this article to update the web links. All other information is unchanged.
February 2, 2016	Initial article released.

Copyright © 2018, the American Hospital Association, Chicago, Illinois. Reproduced with permission. No portion of the AHA copyrighted materials contained within this publication may be copied without the express written consent of the AHA. AHA copyrighted materials including the UB-04 codes and descriptions may not be removed, copied, or utilized within any software, product, service, solution or derivative work without the written consent of the AHA. If an entity wishes to utilize any AHA materials, please contact the AHA at 312-893-6816. Making copies or utilizing the content of the UB-04 Manual, including the codes and/or descriptions, for internal purposes, resale and/or to be used in any product or publication; creating any modified or derivative work of the UB-04 Manual and/or codes and descriptions; and/or making any commercial use of UB-04 Manual or any portion thereof, including the codes and/or descriptions, is only authorized with an express license from the American Hospital Association. To license the electronic data file of UB-04 Data Specifications, contact Tim Carlson at (312) 893-6816 or Laryssa Marshall at (312) 893-6814. You may also contact us at [ub04@healthforum.com](mailto:ub04@healthforum.com)

The American Hospital Association (the "AHA") has not reviewed, and is not responsible for, the completeness or accuracy of any information contained in this material, nor was the AHA or any of its affiliates, involved in the preparation of this material, or the analysis of information provided in the material. The views and/or positions presented in the material do not necessarily represent the views of the AHA. CMS and its products and services are not endorsed by the AHA or any of its affiliates.

### Disclaimer

This article was prepared as a service to the public and is not intended to grant rights or impose obligations. This article may contain references or links to statutes, regulations, or other policy materials. The information provided is only intended to be a general summary. It is not intended to take the place of either the written law or regulations. We encourage readers to review the specific statutes, regulations and other interpretive materials for a full and accurate statement of their contents. CPT only copyright 2015 American Medical Association. All rights reserved.