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## 2011 Electronic Prescribing (eRx) Incentive Program Update – Future Payment Adjustments

**Note:** This article was updated on August 16, 2012, to reflect current Web addresses. It was also revised on April 19, 2012, to add a reference to MLN Matters® article SE1206 available at <http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/downloads/SE1206.pdf> to give eligible providers detailed information on the operation of the eRx payment adjustments for 2012-2014 and information on exemptions. All other information is the same.

### Provider Types Affected

This MLN Matters® Article is intended for physicians and other practitioners who qualify as eligible professionals to participate in the Centers for Medicare & Medicaid Services (CMS) Electronic Prescribing (eRx) Incentive Program.

### Provider Action Needed



#### STOP – Impact to You

CMS announced that, beginning in 2011, eligible professionals who are not successful electronic prescribers may be subject to a payment adjustment on their future Medicare Part B Physician Fee Schedule (PFS) covered professional services.

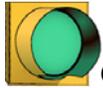


#### CAUTION – What You Need to Know

Section 132 of the Medicare Improvements for Patients and Providers Act of 2008 (MIPPA) authorizes CMS to apply this payment adjustment whether or not the eligible professional is planning to participate in the eRx Incentive Program.

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## GO – What You Need to Do

Certain eligible professionals can avoid the 2012 eRx payment adjustment by becoming a successful electronic prescriber (completing the required claims-based reporting in the required timeframe). Group practices participating in the eRx Group Practice Reporting Option (GPRO) I or II during 2011 MUST become a successful electronic prescriber and complete the required reporting. See the Background section below for more details. Be sure to inform your staffs of this update.

## Background

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From 2012 through 2014, the eRx payment adjustment will increase each Calendar Year:

- In 2012, the payment adjustment for not being a successful electronic prescriber will result in an eligible professional or group practice receiving **99 percent of their Medicare Part B PFS amount** that would otherwise apply to such services.
- In 2013, an eligible professional or group practice will receive **98.5 percent of their Medicare Part B PFS amount** for covered professional services for not being a successful electronic prescriber in 2011 or as defined in future rule making.
- In 2014, the payment adjustment for not being a successful electronic prescriber is 2 percent, resulting in an eligible professional or group practice receiving **98 percent of their Medicare Part B PFS amount** for covered professional services.

The 2012 payment adjustment does not apply if less than 10 percent of an eligible professional's (or group practices) allowed charges for the January 1, 2011, through June 30, 2011, reporting period are comprised of codes in the denominator of the 2011 eRx measure. The payment adjustment also does not apply if the eligible professional has less than 100 cases containing an encounter code in the measure's denominator for the same January 1, 2011, through June 30, 2011, reporting period.

Please note that earning an eRx incentive for 2011 will NOT necessarily exempt an eligible professional or group practice from the payment adjustment in 2012 – but it will exempt an eligible professional or GPRO from a 2013 payment adjustment.

### Avoiding the 2012 eRx Payment Adjustment:

An **eligible professional** can avoid the 2012 eRx Payment Adjustment if he or she:

- Is not a physician (MD, DO, or podiatrist), Nurse Practitioner, or Physician Assistant as of June 30, 2011, based on primary taxonomy code in the National Plan and Provider Enumeration System (NPPES);
- Does not have prescribing privileges and reports G-code G8644 (defined as not having prescribing privileges) at least one time on an eligible **claim** prior to June 30, 2011;

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- Does not have at least 100 cases containing an encounter code in the measure's denominator;
- Becomes a successful electronic prescriber (submits required number of electronic prescriptions (10 for individual) via **claims** and reports this to CMS before June 30, 2011); or
- Claims a hardship as described below.

**A group practice** that is participating in eRx GPRO I or GPRO II during 2011:

- **MUST** become a successful electronic prescriber (submit required number of electronic prescriptions via **claims** before June 30, 2011);
  - Depending on the group's size, the group practice must report the eRx measure for 75-2,500 unique eRx events via **claims** for patients in the denominator of the measure.

If an **eligible professional or selected group practice** wishes to **request an exemption** to the eRx Incentive Program and the payment adjustment, there are two "hardship codes" that can be reported **via claims** if one of the following situations apply:

- G8642 - The eligible professional practices in a rural area without sufficient high speed internet access and requests a hardship exemption from the application of the payment adjustment under section 1848(a)(5)(A) of the Social Security Act.
- G8643 - The eligible professional practices in an area without sufficient available pharmacies for electronic prescribing and requests a hardship exemption from the application of the payment adjustment under section 1848(a)(5)(A) of the Social Security Act

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## Additional Information

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For additional information, please visit the “How to Get Started” and “Payment Adjustment Information” sections at <http://www.cms.gov/Medicare/Quality-Initiatives-Patient-Assessment-Instruments/ERxIncentive/index.html>.

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