

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



Per Section 5501(a) of the Affordable Care Act, the Primary Care Incentive Payment (PCIP) program authorizes an incentive payment of 10 percent of Medicare's program payments to be paid to qualifying primary care physicians and non-physician practitioners for services rendered from Sunday, January 1, 2011, to Thursday, December 31, 2015. CMS has published 22 Frequently Asked Question (FAQ) items related to the PCIP program. These FAQ items can be found by visiting <http://questions.cms.gov/> and searching for "PCIP" or "Primary Care Incentive Payment."

MLN Matters® Number: SE1141 **Revised** 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

2012 Electronic Prescribing (eRx) Payment Adjustment: Assessment and Application

Note: This article was updated on April 30, 2014 to include links to the most current articles that reflect the changes in Medicare policy that have occurred since SE1141 was published in 2011.

Provider Types Affected

Physicians and other practitioners who qualify as eligible professionals to participate in the Centers for Medicare & Medicaid Services (CMS) Electronic Prescribing (eRx) Incentive Program are affected.

Note: At the time this article was first published in 2011, the information reflected Medicare policy correctly at that time. Since then more current information is available and new articles are posted. See the Additional Information section for the updated publications detailing what providers need to know in order to remain current.

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What You Need to Know

This MLN Matters® Special Edition Article describes how the 2012 eRx payment adjustment was 1) calculated and 2) applied for individual eligible professionals, and group practices participating in eRx Group Practice Reporting Option (GPRO).

Eligible professionals who met the eRx payment adjustment inclusion criteria, but who failed to meet the reporting requirements in 2011, may receive the 2012 eRx payment adjustment starting January 1, 2012. The 2012 eRx payment adjustment for not being a successful electronic prescriber will result in an eligible professional or group practice participating in eRx GPRO receiving 99% (1% less) of their Medicare Part B Physician Fee Schedule (PFS) amount that would otherwise apply to such services.

Background

Under Section 1848(a)(5)(A) of the Social Security Act, eligible professionals who are not successful electronic prescribers under the eRx Incentive Program will be subject to a payment adjustment in 2012.

An eligible professional was included in the 2012 eRx payment adjustment analysis if they meet all of the following criteria:

- Was 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);
- Had prescribing privileges from 1/1/11-6/30/11;
- Had at least 100 cases containing an encounter code in the measure's denominator from 1/1/11-6/30/11; AND
- Had 10% or more of their Medicare Part B allowable charges (per Tax Identification Number (TIN)) from 1/1/11-6/30/11 were for encounter codes in the measure's denominator

Eligible professionals were automatically excluded from the 2012 eRx payment adjustment analysis if they did NOT meet one of the above criteria.

In addition, eligible professionals could have taken the following steps from to avoid the 2012 eRx payment adjustment:

- Submitted 10 or more 2011 eRx quality-data codes (G8553) for Medicare Part B PFS services via claims from 1/1/11-6/30/11;

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- Indicated that the eligible professional met criteria for a hardship exemption for either living in a rural area without sufficient high speed internet (G8642), or practiced in an area without sufficient pharmacies that can accept eRx (G8643) via claims from 1/1/11-6/30/11;
- Indicated that the eligible professional did not have prescribing privileges (G8644) via claims from 1/1/11-6/30/11; OR
- Requested a hardship exemption via the Quality Reporting Communication Support Page on or before 11/8/11, and received CMS approval.

Assessing and Applying the 2012 eRx Payment Adjustment

2012 eRx Assessment

An eligible professional who meets the eRx program inclusion criteria will be subject to the 2012 eRx payment adjustment if (s)he did not submit the following:

- 10 valid 2011 eRx G-codes (G8553) via claims during the 6-month reporting period of January 1, 2011 – June 30, 2011; or
- A hardship exemption (G8642, G8643) via claims during the 6-month reporting period; or
- A G-code via claims indicating (s)he did not have prescribing privileges (G8644) during the 6-month reporting period; or
- (S)he requested and was granted a hardship exemption through the Quality Reporting Communication Support Page.

CMS analysis of all valid 2011 eRx QDCs submitted with a Date of Service during the 6-month reporting period determines whether or not the payment adjustment applies to the eligible professional.

Group practices participating in eRx GPRO who would be subject to the payment adjustment are defined as a TIN who:

- Failed to meet the 2011 eRx criteria for successful reporting during the 6-month reporting period of January 1–June 30, 2011; or
- Failed to indicate a hardship or lack of prescribing privileges to CMS

The analysis of successful reporting for group practices that participate in eRx GPRO will be performed at the TIN level to identify the group's services and quality data. All NPIs under the TIN during the 6-month reporting period for 2011 (January 1, 2011 – June 30, 2011) will receive the

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payment adjustment if the group practice participating in eRx GPRO is subject to the payment adjustment.

For eligible professionals who submitted claims under multiple TINs, CMS groups claims by unique TIN/NPIs for analysis and payment adjustment purposes. As a result, an eligible professional who submitted claims under multiple TINs may be subject to an eRx payment adjustment under one of the TINs and not the other(s), or may be subject to a payment adjustment under each TIN.

Application

- The eRx payment adjustment for not being a successful electronic prescriber will result in an individual eligible professional, or group practice participating in eRx GPRO, receiving 99% of his or her Medicare Part B PFS amount that would otherwise apply to such services (or 1% less reimbursement) for all charges with a date of service from January 1–December 31, 2012.
- Providers who receive the 2012 eRx payment adjustment will see the term “**LE**” on their Remittance Advice for all Medicare Part B services rendered January 1 – December 31, 2012. The remittance advice will also contain the following Claim Adjustment Reason Code (CARC) and Remittance Advice Remark Code (RARC):
 - CARC 237 – Legislated/Regulatory Penalty. At least one Remark Code must be provided (may be comprised of either the NCPDP Reject Reason Code, or Remittance Advice Remark Code that is not an ALERT).
 - RARC N545 – Payment reduced based on status as an unsuccessful eprescriber per the Electronic Prescribing (eRx) Incentive Program.
- The TIN/NPI (or group practice participating in eRx GPRO TIN) will receive automatically-adjusted 2012 Medicare Part B reimbursements as (s)he normally would for Medicare Part B PFS covered professional services furnished to Medicare beneficiaries.
- The 2012 eRx payment adjustments will be applied separately from the 2011 eRx Incentive Program or any other CMS incentive program payments.

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- If a TIN/NPI or group practice participating in eRx GPRO TIN submits claims to multiple Medicare claims processing contractors (Carriers or Medicare Administrative Contractors [MACs]) and is subject to the eRx payment adjustment, each contractor will pay out 1% less for all the Medicare Part B PFS claims the contractor processes with a Date of Service from January 1 – December 31, 2012.

Frequent Concerns

- If the TIN/NPI or group practice that participates in eRx GPRO TIN receives the payment adjustment in error, the claim will be reprocessed to return the 1.0% and the remittance advice for the reprocessed claim will include the following codes and messages:
 - CARC 237 – Legislated/Regulatory Penalty. At least one Remark Code must be provided (may be comprised of either the NCPDP Reject Reason Code, or Remittance Advice Remark Code that is not an ALERT).
 - RARC N546 – Payment represents a previous reduction based on the Electronic Prescribing (eRx) Incentive Program.
- If an individual eligible professional (TIN/NPI) or group practice participating in eRx GPRO submitted an eRx QDC G8553 indicating a valid eRx event in addition to submitting a hardship or lack of prescribing privileges code (or notifies CMS of a hardship or lack of prescribing privileges for group practices participating in eRx GPRO), the hardship/lack of prescribing privileges will take precedence.
- If the eligible professional is enrolled in Medicare, but does not “participate” (non-PAR) by accepting Medicare’s allowed charge for services provided, (s)he should contact his/her Part B Carrier or A/B MAC for instruction on how the 2012 eRx payment adjustment will be applied and the amount (s)he can initially charge the beneficiary when the service is provided.

Additional Information

For more information about the 2012 eRx payment adjustment, please refer to the ‘How to Get Started’ and ‘Payment Adjustment Information’ sections of the CMS eRx Incentive Program website at <http://www.cms.gov/Medicare/Quality-Initiatives-Patient-Assessment-Instruments/ERxIncentive/index.html> and the “2012 eRx Payment Adjustment Quick Reference Guide.”

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MLN Matters® Special Edition Article SE1107, “2011 Electronic Prescribing (eRx) Incentive Program Update – Future Payment Adjustments,” is available at <http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/downloads/SE1107.pdf> on the CMS website.

MM7877 (<http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/downloads/MM7877.pdf>) informs Medicare contractors to place the eRx Negative Adjustment Limiting charge amount and hard copy disclosure reports on their websites, so that Eligible Professionals (EPs) are provided with the correct limiting charge they may bill for a MPFS service.

“Electronic Prescribing (eRx) Incentive Program” is available at <http://www.cms.gov/Medicare/Quality-Initiatives-Patient-Assessment-Instruments/ERxIncentive/index.html> on the CMS website.

Additional assistance is also available from the **QualityNet Help Desk at 1-866-288-8912** (TTY 1-877-715-6222) or qnetsupport@sdps.org Monday-Friday from 7:00 a.m. to 7:00 p.m. CST.

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