

**Physician Quality Reporting System (PQRS) and Electronic Prescribing (eRx) Incentive Program
July 25, 2013 National Provider Call
Announcements and Updates**

General Announcements

Sequestration and PQRS

Incentive payments made through PQRS are subject to the mandatory reductions in federal budgetary resources known as sequestration, required by the Budget Control Act of 2011. The American Taxpayer Relief Act of 2012 postponed sequestration for 2 months. As required by law, President Obama issued a sequestration order on March 1, 2013. Under these mandatory reductions, PQRS incentive payments made to eligible professionals and group practices will be reduced by 2%. For example: An eligible professional (EP) has \$100,000 in allowed charges. The 0.5% (0.005) incentive = \$500. The \$500 incentive will be reduced by 2% ($\$500 \times 0.02 = \10), so the total incentive payment with sequestration would be \$490. This 2% reduction will be applied to any PQRS incentive payment for a reporting period that ends on or after April 1, 2013. Since the 2013 reporting period ends after this date, incentive payments for this reporting period are subject to sequestration. Incentive payments for prior reporting periods will not be subject to the reduction.

2013 PQRS and/or eRx Incentive Program: Stripped N365 Remark Code

For those eligible professionals participating in the 2013 PQRS and/or eRx Incentive Program via claims, CMS is aware the Remittance Advice (RA)/Explanation of Benefits (EOBs) may not be displaying the N365 remark code for program quality-data codes (QDCs) for claims processed April 2013 through July 2013. The N365 remark code will reappear again starting for claims that are processed in July 2013. QDCs submitted on Medicare Part B Physician Fee Schedule (PFS) claims with \$0.00 line items have been (and will be) processed into the National Claims History (NCH) file even though the RA/EOB did not indicate the N365 remark code, given the claim was in final-action status and not pending, rejected, etc.

What should I do if I don't see the N365 Remark Code?

The N365 remark code on the RA/EOB is an indication that the QDC is associated with current program year PQRS and/or eRx Incentive Program specifications, but does not confirm whether the QDC was accurately reported per program requirements. If the QDC \$0.00 line item shows on the RA, but without the N365, it is possible the QDC is not within current program year specifications. It is also possible that the N365 is simply missing due to reporting using the \$0.00 line item. All submitted QDCs on fully processed claims are forwarded to the NCH for analysis by the PQRS and/or eRx programs, so providers will first want to be sure they do see the QDC line item on the RA/EOB, regardless of whether the N365

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appears. If there is no QDC line item, it is possible that the provider's claims software has stripped any \$0.00 line items, and this will need to be corrected, either within the software, or by adding a \$0.01 charge rather than \$0.00.

Adding the \$0.01 charge to the QDC line item will help generate the N365 remark code, which will indicate whether the QDC is current. Providers may work with their vendors/billing systems/clearing houses to determine whether the option to submit a \$0.00 or \$0.01 charge for QDC line items will work best for their practice.

Tips for Reporting

CMS would like to remind providers that no PQRS/eRx Incentive Program reporting validation or analysis occurs at the Carrier or A/B Medicare Administrative Contractor (MAC) claims level, beyond forwarding QDCs to the NCH. So it is imperative that providers make sure they are coding claims with the current program year measure specifications, either for individual measures or measures groups. They will want to verify that the patient they are reporting on falls within the measure's denominator for age/gender, as well as diagnosis and service/encounter when applicable. Then be sure to follow the specifications showing the available numerator QDC reporting options, and report the one(s) that best describes the quality action performed.

Again, CMS is aware that RA/EOBs may not display the N365 remark codes for \$0.00 QDC line items and is actively working with Carrier/Medicare Administrative Contractors (MACs) to resolve this issue. The N365 remark code will reappear again with claims that are processed after July 2013.

Physician Compare Website Redesigned to Help Consumers Search for Physicians

Physician Compare, a website that allows consumers to search and compare information about hundreds of thousands of physicians and other health care professionals, has been redesigned to make the site easier to use and provide new information for consumers. CMS Administrator Marilyn Tavenner announced the redesign, which includes an improved search function and more frequently updated information.

Physician Compare was improved based on user and partner feedback, as part of improvements in the Affordable Care Act. The redesign includes new information on physicians, such as:

- Information about specialties offered by doctors and group practices;
- Whether a physician is using electronic health records;
- Board certification; and
- Affiliation with hospitals and other health care professionals.

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Physician Compare is also now connected to the most consistently updated database so that consumers will find the most accurate and up-to-date information available. In 2014 quality data will be added, and this will help users choose a medical professional based on performance ratings.

Visit the [Physician Compare](#) website. You can also go to www.medicare.gov and click on “Find doctors & other health professionals.” A [video](#) highlighting the main features of the redesign is available.

Payment Adjustment Updates

PQRS Payment Adjustment/Value-Based Payment Modifier

Beginning in 2015, eligible professionals that do **not** participate in PQRS or elect CMS-calculated administrative claims during the 2013 program year **will** be subject to a negative payment adjustment of -1.5%. For more information about meeting the criteria to avoid the 2015 PQRS payment adjustment, including how to elect to participate in the CMS-calculated administrative claims-based reporting mechanism, review the [PQRS tipsheet on payment adjustments](#).

In addition, new federal regulations require that medical practice groups comprised of 100 or more EPs (as of October 15, 2013) will be subject to the value-based payment modifier- based on performance in 2013. Groups of this size that fail to self-nominate/register for PQRS – as a group – will see an additional 1.0% negative impact on all physician payments under the Medicare Physician Fee Schedule in calendar year 2015. Groups meeting the size threshold must sign-up as a group during one of two sign-up periods to participate in the 2013 PQRS. The first opportunity for group practices to sign-up ended on January 31, 2013. **The second opportunity to sign-up began July 15, 2013 and ends October 15, 2013.**

The Physician Value (PV) - PQRS Registration System is a new application to serve the Physician Value Modifier and PQRS programs. **The [PV-PQRS Registration System](#) is now open through October 15, 2013** and will allow the following:

1. Physician group practices to select their CY 2013 PQRS Group Reporting Mechanism, and if applicable, elect quality tiering to calculate their CY 2015 Value-based Payment Modifier; and
2. Individual eligible professionals to select the Administrative Claims reporting mechanism for CY 2013.

An Individuals Authorized Access to the CMS Computer Services (IACS) account is required to access the PV-PQRS Registration System. You can sign up for a new IACS account or modify an existing IACS account on the [CMS Applications Portal](#).

Visit the [Physician Feedback Program](#) website for more information on the Value-based Payment Modifier.

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Reminders

Electronic Health Record (EHR) Measure Specifications

Please utilize the most recently updated version of the measure specifications that correspond to the 2013 PQRS program year. Although the *2013 PQRS EHR Measure Specifications* appear to be the same from 2012, measure analytics related to instructions on timing, data element combinations as well as coding have been updated for the 2013 program year.

Vendors should:

- 1) Utilize the current program year versions of the PQRS specifications to update their system reminders and/or reports.
- 2) Inform their clients as to when their 2013 measure-based reminders will go into effect.
- 3) Reference the current program year's measure specifications to the eligible professionals.

PQRS/eRx Measures

The PQRS/eRx measure documents for the 2013 program year may be different from the measure documents for a prior year. EPs are responsible for ensuring that they are using the PQRS/eRx measure documents for the correct program year.

We would like to encourage EPS to check the CMS website Spotlight page for recent updates on the PQRS/eRx Incentive Program.

Upcoming National Provider Calls

Date: July 31, 2013

Time: 2:30 – 3:30 pm EST

Topic: How to Register to Select your PQRS Group Reporting Option for 2013