

CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-20 One-Time Notification	Centers for Medicare & Medicaid Services (CMS)
Transmittal 1016	Date: January 25, 2012
	Change Request 7730

SUBJECT: Direct Mailing to Medicare Providers About the 2012 Electronic Prescribing Payment

I. SUMMARY OF CHANGES: Eligible Professionals will need to be notified that they are subject to the 2012 Payment Adjustment and as a result will receive 99 percent of their Medicare Part B PFS amount.

EFFECTIVE DATE: February 27, 2012

IMPLEMENTATION DATE: February 27, 2012

Disclaimer for manual changes only: The revision date and transmittal number apply only to red italicized material. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.

II. CHANGES IN MANUAL INSTRUCTIONS: (N/A if manual is not updated)

R=REVISED, N=NEW, D=DELETED-Only One Per Row.

R/N/D	CHAPTER / SECTION / SUBSECTION / TITLE
N/A	

III. FUNDING:

For Fiscal Intermediaries (FIs), Regional Home Health Intermediaries (RHHIs) and/or Carriers:
Funding for implementation activities will be provided to contractors through the regular budget process.

For Medicare Administrative Contractors (MACs):

The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

IV. ATTACHMENTS:

One-Time Notification

**Unless otherwise specified, the effective date is the date of service.*

Attachment – One-Time Notification

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SUBJECT: Direct Mailing to Medicare Providers About the 2012 Electronic Prescribing Payment

Effective Date: February 27, 2012

Implementation Date: February 27, 2012

I. GENERAL INFORMATION

A. Background:

Based on claims activity for the first six months of 2011, the Centers for Medicare & Medicaid Services (CMS) has identified eligible professionals who are subject to the 2012 Electronic Prescribing (eRx) payment adjustment. These eligible professionals need to be notified that they are subject to the 2012 payment adjustment and as a result will receive 99% of his or her Medicare Part B PFS amount that would otherwise apply to such services (or 1.0% less reimbursement) for all charges with a date of service from January 1-December 31, 2012. CMS will use a direct mailing via the Carriers/MACs to notify the eligible professionals who are subject to the 2012 eRx payment adjustment.

B. Policy:

Beginning 2012, Section 132 of the Medicare Improvements for Patients and Providers Act of 2008 (P.L.110-275) (MIPPA) requires CMS to subject eligible professionals who are not successful electronic prescribers under the eRx Incentive Program to a payment adjustment. This payment adjustment applies to all of the eligible professional's Part B-covered professional services under the Medicare Physician Fee Schedule (MPFS). From 2012 through 2014, the payment adjustment will increase with each new reporting period. Accordingly, for 2012, eligible professionals receiving a payment adjustment will be paid 1.0% less than the MPFS amount for that service. In 2013 and 2014, the payment adjustment increases to 1.5% and 2.0% respectively.

II. BUSINESS REQUIREMENTS TABLE

Number	Requirement	Responsibility (place an "X" in each applicable column)								
		A / B M A C	D M M A C	F I	C A R I E R	R H R I	Shared-System Maintainers			
					F I S S	M C S	V M S	C W F		
7730.1	The contractor shall send the attached letter titled "Letter to EP Subject to 2012 eRx Payment Adjustment"	X			X					

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B M A C	D M E M A C	F I M A C	C A R I E R	R H I I S S	Shared-System Maintainers				OTHER
						F I S S	M C S	V M S	C M W F		
	None										

IV. SUPPORTING INFORMATION

Section A: For any recommendations and supporting information associated with listed requirements, use the box below: N/A

Use "Should" to denote a recommendation.

Section B: For all other recommendations and supporting information, use this space: N/A

X-Ref Requirement Number	Recommendations or other supporting information:
	None

V. CONTACTS

Pre-Implementation Contact(s): Diane Stern, diane.stern@cms.hhs.gov, (410) 786-1133

Post-Implementation Contact(s): Post-Implementation Contact(s):

Contact your Contracting Officer's Technical Representative (COTR) or Contractor Manager, as applicable.

Aucha Prachanronarong, Aucha.prachanronarong@cms.hhs.gov, (410) 786-1879

VI. FUNDING

Section A: For Fiscal Intermediaries (FIs), Regional Home Health Intermediaries (RHHIs):

Funding for implementation activities will be provided to contractors through the regular budget process.

Section B: For Medicare Administrative Contractors (MACs):

The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

Attachments (5)



7500 Security Boulevard
Baltimore, MD 21244-1850

[Insert Eligible Professional's Name]
[Insert Eligible Professional's Mailing Address]

An Important Message from Medicare:

Dear Dr./Mr./Ms. [Insert Eligible Professional's last name],

This letter is to inform you that you are subject to a payment adjustment under the Medicare Electronic Prescribing (eRx) Incentive Program because you did not meet the program requirements for the 6-month reporting period of January 1, 2011 through June 30, 2011. For 2012, this payment adjustment will result in a 1% reduction in the fee schedule amount that would otherwise apply to your Medicare Part B covered professional services for all charges with a date of service from January 1–December 31, 2012 that are furnished using the following Tax Identification Number (TIN) and National Provider Identifier (NPI) combination: xxx-xx-[insert last 4 digits of eligible professional's TIN]/[insert eligible professional's NPI].

To not be subject to the payment adjustment you would have had to either:

- meet certain exclusion criteria;
- have reported the eRx measure via claims for at least 10 denominator-eligible visits during the 6-month reporting period of January 1, 2011 through June 30, 2011;
- submitted a hardship exemption G-code (G8642, G8643) via claims during the 6-month reporting period; or
- submitted a G-code via claims indicating you did not have prescribing privileges (G8644) during the 6-month reporting period

Please note this letter does not take into account whether or not you submitted an eRx significant hardship exemption request through the Quality Reporting Communication Support Page on or before November 8, 2011. CMS is still processing the significant hardship exemptions we received. If you did request a significant hardship exemption through the Quality Reporting Communication Support page, CMS will separately notify you whether your request was approved or denied using the email address that was provided with your request.

In the event that you did report the eRx measure in 2011 and want additional information on your claims data received by CMS, please contact the QualityNet Help Desk. You can reach the QualityNet Help Desk 7:00 a.m. – 7:00 p.m. CST M-F at 866-288-8912 (TTY 877-715-6222) or via email at gnetsupport@sdps.org.

We encourage you to start reporting the eRx measure if you have not already done so. CMS is required to subject eligible professionals who are not successful electronic prescribers under the eRx Incentive Program to a payment adjustment through 2014.

Avoiding the 2013 eRx Payment Adjustment

- Eligible professionals who reported the eRx measure for at least 25 denominator-eligible visits from January 1, 2011 through December 31, 2011 will qualify for a 1% percent incentive for 2011 **AND** be exempt from a 1.5% payment adjustment for 2013.
- You can also avoid the 2013 payment adjustment by reporting the eRx measure via claims for at least 10 eRx events during the 6-month reporting period of January 1, 2012 through June 30, 2012. Unlike the 2012 eRx payment adjustment requirements, these 10 eRx events do not need to be associated with the codes in the eRx measure's denominator.

Avoiding the 2014 eRx Payment Adjustment

- Eligible professionals who report the eRx measure for at least 25 denominator-eligible visits from January 1, 2012 through December 31, 2012 will qualify for a 1.0% incentive for 2012 **AND** be exempt from a 2.0% payment adjustment for 2014
- You also have a second opportunity to avoid the 2014 payment adjustment by reporting the eRx measure via claims for at least 10 eRx events during the 6-month reporting period of January 1, 2013 through June 30, 2013.

Please visit the eRx Incentive Program website at <http://www.cms.gov/ERxIncentive.gov/> for additional information about future eRx payment adjustments.