

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
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MEDICARE PLAN PAYMENT GROUP

DATE: December 7, 2016

TO: All Medicare Advantage Organizations, Cost Plans, PACE Organizations, and Demonstrations

FROM: Cheri Rice /s/
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SUBJECT: Physician Quality Reporting System 2014 Payment File and 2014 MOC Eligibility File

When a Medicare Advantage organization (MAO) arranges for an MA enrollee to receive a Medicare covered service from a non-contract provider (including a provider who is “deemed” to be contracting under a private fee for service (PFFS) plan), the MAO is required to pay at least the amount that the provider would receive for that service under the Medicare Fee-for Service (FFS) program. The guidance in this memorandum will help MAOs determine whether their payments to non-contract providers should be adjusted to account for Physician Quality Reporting System incentive payments earned in program year 2014.

Physician Quality Reporting System

The Physician Quality Reporting System (PQRS) is a quality reporting program that encourages eligible professionals (EPs) and group practices to report specific quality measures to the Centers for Medicare & Medicaid Services (CMS) through a combination of incentive payments and payment adjustments. From 2007 to 2014, EPs and group practices that participated in the group practice reporting option (GPRO) could earn PQRS incentive payments for satisfactorily reporting data on quality measures for covered Medicare Physician Fee Schedule (PFS) services furnished to beneficiaries enrolled in Medicare FFS. The final year for PQRS incentive payments is 2014.

From 2015 through 2018, a negative payment adjustment applies to the Medicare Part B PFS services of EPs and group practices who do not satisfactorily report data on PQRS quality measures. The final year for PQRS payment adjustments is 2018.

Additional information on the PQRS program is available at: <https://www.cms.gov/Medicare/Quality-Initiatives-Patient-Assessment-Instruments/PQRS/>.

PQRS and Medicare Advantage

As stated above, an MAO which arranges for an MA enrollee to receive a covered service from a non-contract provider must pay the provider an amount that is equal to the amount the provider would be entitled to receive if the MA enrollee had instead been enrolled in FFS Medicare.

Therefore, an MAO is responsible for including PQRS incentive amounts in its payments to non-contract providers who qualify for these incentives under original Medicare.

An MAO is required to pay a lump sum PQRS incentive payment to non-contract providers for services provided in 2014 when all of the following conditions are met:

- The MAO does not have an existing contract with the provider.
- The provider treated one of the MAO's enrollee's out-of-network.
- The provider qualified for the 2014 PQRS incentive payment under FFS Medicare.

Individual EPs and EPs in group practices or accountable care organizations (ACOs) participating in the GPRO who satisfactorily reported quality-measures data during the 2014 reporting period could earn an incentive payment equal to 0.5% of the total estimated Medicare Part B Physician Fee Schedule (PFS) allowed charges for covered services furnished in 2014. Physicians who qualified for the 2014 PQRS incentive payment could earn an additional 0.5% incentive payment by satisfying the Maintenance of Certification (MOC) program requirements.

EPs who did not satisfactorily report or satisfactorily participate while submitting data on PQRS quality measures in the 2014 program year are subject to a payment adjustment in 2016. We will issue future guidance regarding the application of the 2016 PQRS payment adjustments to MAOs' payments to out-of-network providers who failed to satisfy the PQRS reporting requirements in 2014.

Identifying an Eligible Professional, Group Practice, or ACO

2014 PQRS Payment File

The 2014 PQRS Payment File (discussed in the "File Description and Access" section below) lists the Taxpayer Identification Number (TIN) and National Provider Identifier (NPI) number for each individual EP who is eligible for the 2014 PQRS incentive payment. An MAO can identify an individual EP who is eligible for the 2014 PQRS incentive payment by matching the EP's TIN/NPI combination to the TIN/NPI codes provided in the 2014 PQRS Payment File. The TIN/NPI combination must be an exact match.

Group practices or ACOs participating in the GPRO that are eligible for the 2014 PQRS incentive payment are identified in the 2014 PQRS Payment File by the group's or ACO's TIN ("GPRO/ACO TIN") only. For entries in the 2014 PQRS Payment File where only a TIN is present (i.e., the NPI field is blank) and a "Y" appears in the "GPRO/ACO Participant Flag" column, an MAO is responsible for paying PQRS bonuses for any and all NPIs billing under the TIN for which the MAO paid non-contracting or deemed claims for Medicare Part B PFS services in 2014. MAOs are to make these PQRS payments to the group practice or ACO entity that billed the MAO.

2014 MOC Eligibility File

The 2014 MOC Eligibility File (discussed in the "File Description and Access" section below) lists the Taxpayer Identification Number (TIN) and National Provider Identifier (NPI) number for each physician who is eligible for the 2014 MOC add-on payment, regardless of whether the physician reports as an individual EP or as a member of an ACO or group practice participating in the GPRO. An MAO can identify a physician who is eligible for the MOC add-on payment by matching the physician's TIN/NPI combination to the codes provided in the 2014 MOC Eligibility File.

If a physician bills under a GPRO/ACO TIN, a “Y” will appear in the “GPRO/ACO Participant Flag” column next to the physician’s TIN/NPI combination. MOC payments for physicians who bill under a GPRO/ACO TIN should first be calculated at the TIN/NPI level. All MOC payments earned by physicians who bill under the same GPRO/ACO TIN should then be combined and paid to the group practice or ACO entity that billed the MAO. MOC add-on payments earned in 2014 are to be paid at the same time as the 2014 PQRS incentive payment.

Calculating the 2014 PQRS Incentive Payment

An EP who is eligible for the 2014 PQRS incentive payment is entitled to receive a 0.5% incentive payment on the EP’s Medicare Part B PFS total estimated allowed charges for non-contract services provided in 2014. An EP who is entitled to receive the 2014 PQRS incentive payment is eligible to receive an additional 0.5% incentive payment on Medicare Part B PFS total estimated allowed charges if he or she meets the MOC program requirements.

If an EP is not eligible for the MOC add-on payment, the formula used to calculate the PQRS incentive amount for the 2014 program year is:

Part B total estimated allowed charges for non-contract services provided
in 2014 * (0.005)

If an EP is eligible for the MOC add-on payment, the formula used to calculate the PQRS incentive amount for the 2014 program year is:

Part B total estimated allowed charges for non-contract services provided
in 2014 * (0.01)

The PQRS incentive payment is calculated on 100% of the Medicare PFS amount, and the allowed charge must include the beneficiary cost sharing as part of the calculation. Otherwise, the amount a non-contract provider receives from an MAO would not equal the amount the provider would have received if the MA plan enrollee had instead been enrolled in Medicare FFS.

MAOs are not required to make a PQRS incentive payment if the total amount owed is less than one dollar.

Notification and Timeline

2014 PQRS incentive payments are due within 90 days of the date of this memorandum.

MAOs should include an explanation to providers when making PQRS incentive payments so that the provider can understand the reason for the payment and track its source.

File Description and Access

The 2014 PQRS Payment File includes the list of individual EPs, group practices, and ACOs who are entitled to receive the 2014 PQRS incentive payment. The file contains three fields:

- Taxpayer Identification Number (TIN)
- National Provider Identifier (NPI) Number
- GPRO/ACO Participant Flag

The 2014 MOC Eligibility File includes the list of physicians who are entitled to receive an

additional MOC add-on payment. The file contains three fields:

- Taxpayer Identification Number (TIN)
- National Provider Identifier (NPI) Number
- GPRO/ACO Participant Flag

Due to the sensitivity of some of the information provided in these files, only the MAO's Medicare Compliance Officer will be able to access and download them. The Compliance Officer must be a registered Health Plan Management System (HPMS) user in order to obtain the files. The 2014 PQRS Payment File and 2014 MOC Eligibility File will be placed in one ZIP file, which can be downloaded from the Data Extract location in HPMS. The user should select the "Incentive Payments" link on the left navigation bar in the Data Extract location. After selecting the link, the user should select "PQRS File" under Step One, "2014" under Step Two, and "Download" under Step Three.

Additional Information

If you encounter technical difficulties when downloading the 2014 PQRS File from HPMS, you may contact the HPMS Help Desk at hpms@cms.hhs.gov or 1-800-220-2028.

If you have questions about the providers identified in the files please contact the QualityNet Help Desk at 1-866-288-8912 (TTY 1-877-715-6222) or Qnetsupport@sdps.org.

If you have questions about the PQRS program, please contact your CMS Account Manager.

If you have questions about this HPMS notice, please contact Sean O'Grady at sean.ogradey@cms.hhs.gov.