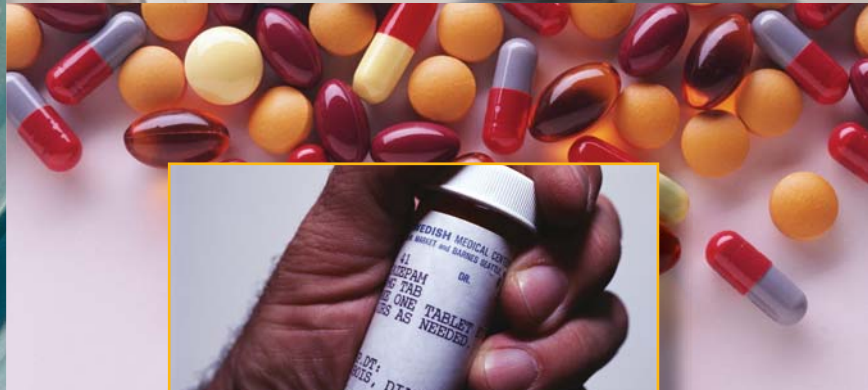


# Medicare's Practical Guide to the Electronic Prescribing (eRx) Incentive Program

# eRx

Revised February 2010



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## Welcome to the eRx Incentive Program

Electronic prescribing (eRx) is the transmission of prescription or prescription-related information through electronic media. Electronic prescribing takes place between a prescriber, dispenser, pharmacy benefit manager (PBM), or health plan. It can take place directly or through an intermediary (like an eRx network). The Medicare Improvements for Patients and Providers Act of 2008 (MIPPA) authorized the Medicare eRx Incentive Program beginning in 2009 to promote adoption and use of eRx systems.

With eRx, health care professionals can electronically transmit both new prescriptions and responses to refill requests to a pharmacy without having to write or fax the prescription. Electronic prescribing can save time, enhance office and pharmacy productivity, and improve patient safety and quality of care.

If you're an eligible professional and you're interested in earning incentives from Medicare for using eRx technology, take the time to read this guide. It explains the eRx incentive and provides other resources for more comprehensive guidance. CMS (the Centers for Medicare & Medicaid Services) encourages you to adopt eRx, and we look forward to working with you.



## **Medicare’s Practical Guide to the Electronic Prescribing (eRx) Incentive Program**

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*“Medicare’s Practical Guide to Electronic Prescribing (eRx) Incentive Program” isn’t a legal document. Official Medicare Program provisions are contained in the relevant statutes, regulations, and rulings. The information in this booklet was correct as of February 2010. For more information about the eRx incentive or to get updated versions of this document, visit [www.cms.hhs.gov/erxincentive](http://www.cms.hhs.gov/erxincentive).*

## What Is the Medicare eRx Incentive Program?

The Medicare Improvements for Patients and Providers Act of 2008 (MIPPA) authorized the Medicare eRx Incentive Program.

The program provides incentives for eligible professionals who are “successful e-prescribers.” See page 6. The eRx Incentive Program is separate from the Physician Quality Reporting Initiative (PQRI). Eligible professionals may participate in either or both programs. The PQRI is a reporting program that provides an incentive payment to eligible professionals who satisfactorily report data on a designated set of quality measures for covered professional services furnished during the applicable reporting period.

Eligible professionals (as described on page 5) don’t need to participate in the PQRI to participate in the eRx Incentive Program. A doctor or other eligible professional who participates in both could potentially get two incentive payments: one for being a “successful electronic prescriber” for reporting the eRx measure under the eRx Incentive Program and one for satisfactorily submitting data on other quality measures under the PQRI.

### **New group practice reporting option**

Starting in 2010, there is a new eRx Incentive Program group practice reporting option (GPRO) for eligible practices.

- To participate in the 2010 eRx GPRO, CMS requires that a group practice also participate in the PQRI GPRO. However, participating in the eRx Incentive Program is voluntary for group practices participating in the PQRI GPRO.
- A group practice that wishes to participate in both the PQRI GPRO and in the eRx GPRO should notify CMS of its desire to do so when self-nominating for the 2010 PQRI GPRO.
- If your group practice isn’t participating in the PQRI GPRO, you can still participate in the 2010 eRx Incentive Program as an individual eligible professional.

For more information on the new group practice option, visit [www.cms.hhs.gov/erx incentive](http://www.cms.hhs.gov/erx incentive).

## What Is the Medicare eRx Incentive Program? (continued)

### Qualifying for incentive payments

Eligible professionals (and group practices selected to participate in the eRx Incentive Program) must meet certain requirements to qualify for an eRx incentive payment. First, an eligible professional or group practice must have and use a qualified eRx system and report on the adoption and use of the eRx system. Second, the eligible professional or group practice must meet the criteria for a successful electronic prescriber for a particular reporting period. Finally, at least 10% of a successful electronic prescriber's or group practice's Medicare Part B-covered professional services (those services for which payment is made under, or based on, the Physician Fee Schedule (PFS)) must be made up of codes (listed on page 10) that appear in the denominator of the eRx measure.

### Incentive payment amounts

For 2010, eRx incentive amounts are 2% of the total estimated Medicare Part B PFS-allowed charges for covered professional services furnished by an eligible professional or group practice during the reporting period (one calendar year).

### A Quick Look at the Medicare eRx Incentive Program

If you're a "successful electronic prescriber" during calendar year	Your incentive payment is
2009	2.0%
2010	2.0%
2011	1.0%
2012	1.0%
2013	0.5%
<i>Only claims processed no later than 2 months after the reporting period ends will be included in the incentive payment calculations.</i>	

## What Is the Medicare eRx Incentive Program? (continued)



To be **eligible** for the incentive in 2010, you must be an eligible professional or group practice whose estimated allowed Medicare Part B PFS charges for the eRx measure codes are at least 10% of their total estimated Medicare Part B PFS-allowed charges. These Healthcare Common Procedure Coding System (HCPCS) codes are those reported in the denominator of the eRx Incentive Program measure during the reporting period.

For example, in 2010 if an eligible professional has \$100,000 in total estimated Medicare Part B PFS-allowed charges, at least \$10,000 of these charges must be based on the HCPCS codes that are in the denominator of the eRx Incentive Program measure. See pages 10–12 for more information.

### **Note for eligible professionals in group practices**

An individual eligible professional who is a member of a group practice selected to participate in the eRx group practice reporting option isn't eligible to separately earn an eRx incentive payment as an individual eligible professional under that same Tax Identification Number (TIN)/National Provider Identifier (NPI) combination. Once a group practice is selected to participate in the group practice reporting option, this is the only method of eRx reporting available to the group and all individual NPIs who bill Medicare under the group's TIN.



## How to Participate in Medicare's eRx Incentive Program

The program provides incentives to eligible professionals or group practices who are “successful electronic prescribers” and who are authorized under their respective state practice laws to prescribe.

### Who is an eligible professional?

In general, an eligible professional is one of the following:

- Doctor
- Physical or occupational therapist
- Qualified speech-language pathologist
- Nurse practitioner
- Physician assistant
- Clinical nurse specialist
- Certified registered nurse anesthetist (and Anesthesiologist assistant)
- Certified nurse midwife
- Clinical social worker
- Clinical psychologist
- Registered dietitian
- Nutrition professional
- Qualified audiologist

## How to Participate in Medicare's eRx Incentive Program (continued)

### **What is a “successful electronic prescriber”?**

For 2010, a “successful electronic prescriber” must report the eRx measure for at least 25 unique electronic prescribing events in which the measure is reportable. The measure can be reported through Medicare Part B claims, a qualified registry, or a qualified electronic health record (EHR) system. See pages 10–12 for more information on how to report the measure. The Medicare Improvements for Patients and Providers Act of 2008 (MIPPA) allows for future use of Part D data instead of claims-based reporting of the eRx measure. CMS is considering allowing this for future years.

For 2010, a “successful group practice electronic prescriber” must report the eRx measure for a minimum of 2,500 unique denominator-eligible visits per year. Attempts to report the measure for visits not associated with a denominator-eligible patient visit don't count towards the minimum of 2,500. Group practices may report the measure through their Medicare Part B claims, a qualified registry, or a qualified EHR. See pages 10–12 for more information on how to report the measure.



## Choosing a Qualified eRx System

To participate in the eRx Incentive Program, you must use a “qualified” eRx system. There are two types of systems: a system for eRx only (a “stand-alone” system), or an electronic health record (EHR) system with eRx functionality. Either of these systems may be used for the incentive program, as long as they are “qualified.” A qualified system must be able to do the following:

1. Generate a complete medication list that incorporates data from pharmacies and benefit managers (if available)
2. Select medications, transmit prescriptions electronically\* using the applicable standards, and warn the prescriber of possible undesirable or unsafe situations
3. Provide information on lower-cost, therapeutically-appropriate alternatives (for 2010, tiered formulary information, if available, meets this requirement)
4. Provide information on formulary or tiered formulary medications, patient eligibility, and authorization requirements received electronically from the patient’s drug plan

*\*The prescription must be sent electronically. The system can convert the electronic prescription into a fax if the pharmacy can’t get electronic prescriptions; however, if the eRx system is only capable of sending a fax directly from the eRx system to the pharmacy, the system isn’t a qualified eRx system. Detailed system requirements are in the measure specifications at [www.cms.hhs.gov/erxincentive](http://www.cms.hhs.gov/erxincentive).*

### Medicare Part D standards

**Note:** Part D data isn’t used in the qualification or calculation of the eRx Incentive Program. This section is for informational purposes only at this time.

There are Part D standards for transmitting prescriptions electronically and certain prescription-related information for Part D-covered drugs. Your system must use the Part D standards in effect at the time to convey the information listed above. Read the next page for more information on the Part D eRx standards.

## Choosing a Qualified eRx System (continued)

### Medicare Part D standards (continued)

For a list of all Medicare Part D standards, visit [www.regulations.gov](http://www.regulations.gov). Search for “Part D prescribing.” The latest standards are used to electronically convey medication history, formulary and benefit information, and prescription fill status information. They also require the use of the National Provider Identifier (NPI) to identify providers in Part D eRx transactions. The system you choose must be compliant with the Part D eRx standards for the specific function (like transmitting prescriptions) that are in effect when the transaction is conducted.

### Consider these important questions when choosing a system:

#### Do you want a stand-alone system or one that is part of an EHR?

Stand-alone eRx systems are the cheapest and fastest to implement, but EHRs have additional features that are helpful in managing a medical practice.

In deciding whether to adopt EHRs, some eligible professionals may also want to consider the upcoming Medicare and Medicaid EHR incentive programs established by the Health Information Technology for Economic and Clinical Health Act, which provide incentive payments to eligible professionals, eligible hospitals, and critical access hospitals (CAHs) that are meaningful users of certified EHR technology. **Please note that an eligible professional who participates in the Medicare EHR incentive program can't also participate in the eRx Incentive Program.** For information on eligibility, demonstration of meaningful use of EHRs, and EHR technology standards and certification requirements, visit [www.cms.hhs.gov/recovery/11\\_healthit.asp](http://www.cms.hhs.gov/recovery/11_healthit.asp).

#### Does the system use Medicare Part D standards? Will it be updated as needed?

It's important to understand the system's features and how they work. Remember, to qualify for the eRx incentive, you must use a system that has the features listed on the previous page.

## Choosing a Qualified eRx System (continued)

**To understand if the system is “qualified” and uses Medicare Part D standards, review “A Clinician’s Guide to Electronic Prescribing.”**

This publication contains a buyer’s guide to help you compare eRx systems.

To access this publication, visit

[www.ama-assn.org/ama1/pub/upload/mm/472/electronic-e-prescribing.pdf](http://www.ama-assn.org/ama1/pub/upload/mm/472/electronic-e-prescribing.pdf).

If you live in a rural area, make sure that the system you choose has service in your area.

**You may be able to get help paying for your eRx system.**

If you invest in and use an eRx system, the incentive you get may offset your initial setup and operating costs. In addition, as part of an effort to encourage e-prescribing, Federal, state, and private sources are also offering financial aid for physicians in purchasing eRx systems. For more information, review

“A Clinician’s Guide to Electronic Prescribing” at

[www.ama-assn.org/ama1/pub/upload/mm/472/electronic-e-prescribing.pdf](http://www.ama-assn.org/ama1/pub/upload/mm/472/electronic-e-prescribing.pdf).

Under certain conditions, providers and other entities can donate EHR technology to physicians without violating the physician self-referral prohibition (“Stark law”) or the Anti-Kickback Statute. For more information about the Stark law and Anti-Kickback Statute, visit

[www.cms.hhs.gov/PhysicianSelfReferral/](http://www.cms.hhs.gov/PhysicianSelfReferral/) and

[www.oig.hhs.gov/fraud/safeharborregulations.asp](http://www.oig.hhs.gov/fraud/safeharborregulations.asp).

Many states have developed web-based eRx systems that don’t require providers to have additional software. While these systems are designed to operate with the State Medicaid program, some may also be able to handle Medicare prescriptions and claims. Providers can adopt these systems at little or no cost. Because state systems vary, you should check with your State Medical Assistance (Medicaid) office about their eRx activities.

## How to Report the eRx Incentive Program Measure

To get the incentive, an eligible professional or group practice has to report on the eRx measure.

In 2010, there are three ways you can report on the measure to CMS:

1. Through claims
2. To a qualified registry that will report on your behalf
3. Through a qualified electronic health record (EHR) product

### Reporting through claims

When you have an applicable case, you can report on the eRx measure with **two steps**:

STEP 1: Bill on one of the following denominator codes, if applicable:

90801	92004	99205	99308	99334	99348
90802	92012	99211	99309	99335	99349
90804	92014	99212	99310	99336	99350
90805	96150	99213	99315	99337	G0101
90806	96151	99214	99316	99341	G0108
90807	96152	99215	99324	99342	G0109
90862	99201	99304	99325	99343	
90808	99202	99305	99326	99344	
90809	99203	99306	99327	99345	
92002	99204	99307	99328	99347	

Even if you aren't sure if the Medicare service you bill for with these denominator codes will exceed 10% of your Medicare revenues, you should report the eRx codes.

## How to Report the eRx Incentive Program Measure (continued)

STEP 2: Report G-code **G8553** if you used a qualified eRx system to generate and transmit at least one prescription electronically during the encounter. The G-code must be reported **on the same claim** as the denominator billing code.

Unlike for 2009, **there is nothing to report** for 2010 if you had any of the following:

- A qualified eRx system, **but** didn't generate any prescriptions during this encounter
- A qualified eRx system, **but** only prescribed narcotics or other controlled substances\*
- A qualified eRx system **and** state or Federal law required you to phone in or print all prescriptions created during the encounter
- A qualified eRx system **and** the patient asked that you phone in or print all prescriptions created during the encounter
- A qualified eRx system **and** the pharmacy system can't receive electronic transmissions

\* *The Drug Enforcement Administration (DEA) currently prohibits eRx for controlled substances.*

### Reporting through a qualified registry

Professionals participating in a registry that self-nominates and qualifies to submit data on behalf of eligible professionals for a particular program year should expect to get more information from the registry on how to participate. Only registries qualified for the Physician Quality Reporting Initiative (PQRI) are eligible to become qualified for purposes of submitting data on the eRx measure on behalf of eligible professionals.

To become qualified to submit 2010 PQRI data and to be eligible to become qualified to submit 2010 eRx measure data on behalf of eligible professionals, registries must meet certain technical and other requirements specified by CMS.

**Note:** Registries must go through a self-nomination and vetting process if they're new to PQRI registry reporting or to notify CMS of their desire to continue PQRI data submission in 2010 if they were qualified in 2009 and successfully submitted their users' quality data. For the list of qualified registries for the 2010 eRx Incentive Program, visit [www.cms.hhs.gov/PQRI/Downloads/QualifiedRegistriesPhase1Rvsd120709\\_1.pdf](http://www.cms.hhs.gov/PQRI/Downloads/QualifiedRegistriesPhase1Rvsd120709_1.pdf).

## How to Report the eRx Incentive Program Measure (continued)

### **Reporting through a qualified electronic health record (EHR) product**

Only EHR products that are qualified for the PQRI are eligible to become qualified for the eRx Incentive Program. CMS is currently testing EHR data submission, in cooperation with EHR vendors. Pending successful completion of the 2009 PQRI EHR Testing Program and CMS determining that there is at least one “qualified” EHR vendor, an eligible professional may be able to earn an eRx incentive payment through the EHR-based reporting mechanism in the 2010 eRx Incentive Program.

For more information on the ways to report the eRx measure, visit [www.cms.hhs.gov/erxincentive](http://www.cms.hhs.gov/erxincentive).

## What's Next?

Here's a glimpse of what's on the horizon for eRx:

### **Differential Payment for Not Being a Successful Electronic Prescriber Goes into Effect 2012**

Eligible professionals who aren't "successful electronic prescribers" by 2012 will be subject to a differential payment (penalty) beginning in 2012. The differential payment in 2012, with regard to the eligible professionals' (EP) Part B-covered professional services, will result in the eligible professional getting 99% of the Physician Fee Schedule amount that would otherwise apply to such services. In 2013, the EP will get 98.5% of their covered Part B-eligible charges if they aren't a successful electronic prescriber. In 2014, the penalty for not being a successful electronic prescriber is 2% resulting in EPs getting 98% of their covered Part B charges.

## Summary

Keep these key points in mind as you move toward making eRx part of your practice:

- The sooner you participate in the program, the greater your incentive payment percentage.
- Beginning in 2012, if you're not a "successful electronic prescriber," you may be subject to a penalty.
- You need a "qualified" eRx system to participate. There's help available to choose a system.
- There are three ways to report on the eRx measure.
- The Drug Enforcement Administration (DEA) currently prohibits eRx for controlled substances.
- All states allow eRx, but some have certain regulatory requirements. Check with your state officials to make sure you're complying with any eRx requirements specific to your state.

For more information about the eRx incentive or to get updated versions of this document, visit [www.cms.hhs.gov/erxincentive](http://www.cms.hhs.gov/erxincentive).







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