



Physician Quality Reporting Initiative (PQRI) and Electronic Prescribing Incentive Program (eRx) and Medicare Advantage (MA) Plans

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Physician Quality Reporting Initiative (PQRI) is a voluntary individual reporting program that provides an incentive payment to eligible professionals who satisfactorily report data on quality measures for covered Medicare Physician Fee Schedule (PFS) services furnished to Medicare Part B Fee-For-Service (FFS) beneficiaries (including those covered by Railroad Retirement Board and Medicare Secondary Payer). The Medicare Electronic Prescribing Incentive Program (eRx) provides incentives for eligible professionals who are successful electronic prescribers.

This fact sheet provides PQRI and eRx Incentive Program payment information to eligible professionals (physicians/non-physicians) who provide Medicare services to beneficiaries enrolled in Medicare Advantage (MA) plans.

Incentive Payment Qualifications under Medicare Advantage

PQRI or eRx Incentive Program payments to eligible professionals who have contracted with MA organizations are governed by the terms of the contract between the health care professional and the MA organization. It is up to the MA organization and the health care professional whether eligibility for a PQRI or eRx Incentive Program payment under the Original Medicare Program affects the amount that the MA organization owes a health care professional under a contract covering MA plan enrollees.

MA organizations offering private fee-for-service (PFFS) plans that meet access requirements through the “deeming” of qualified professionals, and all MA organizations for all MA plan types when reimbursing non-contracting health care professionals, are required to pay at least the same as Original Medicare for covered Part A and B services. In “deemed” or non-contracting cases, if the eligible professional meets incentive eligibility for either the PQRI or the eRx Incentive Program under Original Medicare, then the

MA organization is also required to pay a similar incentive amount. The amount of the incentive payment is calculated just as it is calculated for Original Medicare (a percentage of Medicare Part B estimated total allowed charges).

Eligible professionals, whether contracted or not contracted with an MA organization, are **not** eligible for either PQRI or eRx Incentive Program payments from Original Medicare for the MA plan members they treat. Eligible professionals are only entitled to incentive payments for services provided to MA plan enrollees from MA organizations based on the parameters discussed in this fact sheet.

PQRI and eRx Incentive Program quality measures data is reported through the Original Medicare FFS Program. MA physicians/non-physicians who are eligible professionals generally do not need to submit quality measures data on claims to MA plans. (Providers contracting with MA organizations might be required to submit such data to their contracting MA organizations. However, as mentioned earlier, the terms of such a contract dictate the requirements and obligations of the parties to such a contract – not this fact sheet.) Individual eligible professionals may choose to report data on individual PQRI or eRx Incentive Program quality measures or measures groups through:

- Claims-based reporting,
- Registry-based reporting,
- Electronic health record-based reporting, or
- Group practice reporting options.

Individual eligible professionals who meet the criteria for satisfactory submission of PQRI and eRx Incentive Program quality measures data via one of the reporting mechanisms above qualify to earn an incentive payment.

Incentive Payments to “Deemed” and Non-Contracting MA Providers

The amount of the PQRI payment is calculated just as it is calculated for Original Medicare. That is, a percentage up to 1.5 percent for 2007, 1.5 percent for 2008, and 2 percent for 2009 and 2010 of Medicare-allowed charges for covered professional services submitted to the plan during the reporting period. The amount of the eRx Incentive Program payment is equal to 2 percent of Medicare-allowed charges for any applicable covered professional service provided in 2009 to a plan member. PQRI and eRx Incentive Program incentive payments are generally made in the middle of the year following the year in which the reporting period falls. For example, the amount of the 2009 incentive payment is payable in the summer/early fall of 2010.

To determine incentive payment status, MA plans review the National Provider Identifier (NPI) and Taxpayer Identification Number (TIN) in the PQRI Data File, received from the

Centers for Medicare & Medicaid Services (CMS), and then compare the data to their plan records. If any of the NPI/TIN combinations match the NPI/TIN combinations of “deemed” or non-contracting health care professionals who were reimbursed for treating their MA plan members, then those “deemed” or non-contracting health care professionals are entitled to receive an incentive payment from the MA organization in proportion to the Part B Medicare PFS services for which the MA organization paid them in the appropriate year.

When processing PQRI payments to non-contracting health care professionals, MA plans need not pay amounts less than one dollar if that is the only payment due. If a specific health care professional or group (based on the TIN) is due less than a total of one dollar, based on all PQRI amounts due from the MA organization for a year for all of its members, then the MA plan is not required to pay that amount (less than one dollar). On the other hand, if another payment is due, for instance for an out-of-network claim, then the PQRI amount of less than one dollar must be paid to the health care professional along with the claims payment.

Health care professionals should review Internal Revenue Service (IRS) Form 1099s and other data sources (such as the PQRI Feedback Reports) for the appropriate year to learn from which MA plans they can expect to receive incentive checks.

A similar process is followed for eRx Incentive Program incentive payments.

Incentive Notifications

CMS shares any incentive information with the MA organization(s) following the conclusion of the respective program year. Eligible professionals should not send any PQRI or eRx Incentive Program data to MA organizations, unless otherwise required by contract between the eligible professional and the MA organization. CMS issues a memorandum to all MA organizations, typically in late summer/early fall, with details regarding the current year incentive payments and the availability of the PQRI and eRx Data Files. The files themselves contain a listing of eligible professionals due PQRI and eRx incentive payments. These files are the means by which CMS provides incentive payment information to MA plans. The information is available in the Health Plan Management System (HPMS).

Due to the sensitivity of some of the information provided in the files, only registered users are able to access and download the files. MA organizations are advised to check their claims databases to identify eligible professionals whom Medicare FFS identified as incentive-eligible for PFS services. MA organizations are required to identify eligible professionals with whom they are not contracting and “deemed” and for which the MA organization paid claims for its members. MA organizations are to distribute incentive payments within 30 to 60 days of the time they receive final payment information from CMS.

Additional Information

For more information regarding PQRI, go to <http://www.cms.gov/PQRI> on the CMS website.

For more information regarding the eRx Incentive Program, go to <http://www.cms.gov/eRxIncentive> on the CMS website.

The CMS Frequently Asked Questions (FAQs) website at <http://questions.cms.hhs.gov/app/answers/list> provides an abundance of simple, quick answers to many common questions.



This fact sheet was current at the time it was published or uploaded onto the web. Medicare policy changes frequently so links to the source documents have been provided within the document for your reference.

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