

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-22-17
Baltimore, Maryland 21244-1850



DATE: December 8, 2010

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

FROM: Cheri Rice, Acting Director
Medicare Plan Payment Group

SUBJECT: Physician Quality Reporting Initiative (PQRI) 2009 Data File

Physicians and other qualified professionals are eligible to receive lump sum incentive payments in 2010 for the successful reporting of quality measures on claims for Medicare Part B services provided to beneficiaries in 2009. The Physician Quality Reporting Initiative (PQRI) program entitles successfully reporting providers to a 2% bonus on all Part B physician fee schedule payments for covered professional services provided to Medicare beneficiaries during 2009. Of the nearly 120 thousand physicians and other qualified professionals that qualify for PQRI payments for 2009, less than 200 are entitled to the payments for six months (July – December 2009). All others are entitled to PQRI incentive payments for services provided during the whole year (January – December 2009). More information on the PQRI program is available at <http://www.cms.hhs.gov/PQRI/>

Payment information for MA plans:

Physicians and other qualified professionals who have not contracted with an MAO (including providers who are “deemed” to be contracting under PFFS plans), but who provide covered professional services to an enrollee of an MA plan offered by the organization, are potentially eligible for PQRI payments from that organization. When such providers are determined by FFS Medicare to qualify for the 2% incentive payment under the 2009 PQRI program, MAOs are also required to pay those providers 2% of the Medicare allowed charges for any covered professional services rendered in 2009 (or only for services rendered in the last six months of 2009 in a small number of cases) to members of their own MA plans. This is so because the non-contracting physician or practitioner is entitled to the same amount that FFS Medicare would have paid for the services. The PQRI incentive payment is technically part of the Medicare compensation for the services since it would have been paid had the services been provided to FFS Medicare beneficiaries.

PQRI payments are due whether or not a physician or qualified professional has Participation status with the FFS Medicare program. MAOs are permitted to forgo PQRI payments to qualified non-contracting providers only when the total amount due is less than \$1.00. Otherwise, payment of PQRI incentives is required. The 2% PQRI incentive payment is due on all Medicare physician fee schedule professional services, and is paid on 100% of the fee schedule amount (including member cost sharing), and not just the plan’s portion of the payment.

To obtain the composite PQRI payment file for 2009, for payments due from MAOs in 2010, please follow the instructions below. Payment are due within 60 days of the date of this HPMS notice. MA organizations should

include an explanation with PQRI incentive payments in order to explain the source and reason for the payments. See the 2010 and 2011 CMS Advance Notices for additional information - <https://www.cms.gov/MedicareAdvtgSpecRateStats/AD/list.asp#TopOfPage>

A registered HPMS user can visit the Data Extract Facility from the Home Page of HPMS. There will be a link entitled “PQRI File” on the left navigation bar where the file can be downloaded. Due to the sensitivity of some of the information provided in the file, only your Medicare Compliance Officer will be able to access and download it. Note that Article IX.A. of your CMS contract and 42 CFR 422.504(h) require you to comply with Federal laws and regulations designed to prevent or ameliorate fraud, waste and abuse.

Computation of PQRI Incentive Payment Due

All providers are entitled to a full 2% PQRI incentive payment from successfully reporting “deemed” and non-contracting MAOs for Part B physician fee schedule payments for covered professional services provided to MA plans enrollees of the MAO during 2009. Note that entitlement to PQRI incentive payments is TAX ID/NPI-combination specific. A given physician/practitioner (identified by NPI) might not be due a PQRI incentive payment in another practice – identified by a different TAX ID/NPI-combination. The PQRI bonus is due on 100% of the physician fee schedule amount, including member cost sharing. For TAX ID/NPI-combinations identified as “12” months incentive payments are due for dates of service between January 1 and December 31, 2009, and for TAX ID/NPI-combinations identified as “06” months, incentive payments are due for dates of service between July 1 and December 31, 2009.

Data File and Record Layout

File Layout

Field Name	TAXID (TIN)	NPI	6 mo/12 mo
position	(1-10)	(11-29)	(30-31)
	123456789	1234567890	06
	xxxxxxxxx	xxxxxxxxx	12
	xxxxxxxxx	xxxxxxxxx	xx

Record Layout

FIELD NAME	START/END POSITION	PIC	COMMENT
Tax ID	1-10	X(9)B	Left justified, one blank byte.
NPI	11-29	X(10)B(9)	Left justified, nine blank bytes.
6 mo/12 mo	30-31	X(2)	

If you have any questions regarding the PQRI program, please contact your CMS Account Manager. If you have any questions about this HPMS notice, please call Thomas Kornfield on (410) 786-3116. If you encounter technical difficulties when downloading the PQRI file from HPMS, you may contact the HPMS Help Desk at hpms@cms.hhs.gov or 1-800-220-2028.