

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: E-Prescribing (e-Rx) Incentive Payment 2009 Data File

Physicians and other qualified professionals are eligible to receive lump sum incentive payments of 2% in 2010 for successful electronic prescribing (e-Rx) in 2009. The 2% incentive payment for successful electronic prescribers is separate from the 2% incentive payment authorized for satisfactory reporting of quality information under the 2009 PQRI program. The definition of “qualified professional” for purposes of eligibility for the e-Rx incentive program is identical to the definition of “qualified professional” for the 2009 PQRI under section 1848(k)(3)(B) of the Act. Eligible professionals under both programs are physicians and other practitioners described in section 1842(b)(18)(C) of the Act, including physical and occupational therapists, qualified speech-language pathologists, and beginning in 2009, qualified audiologists. However, eligibility for e-Rx incentive payments is further restricted by scope of practice to those professionals who have prescribing authority.

E-Rx financial incentives are available for the years 2009 through 2013 (payable in years 2010 – 2014). Specifically, a “successful electronic prescriber” is eligible to receive an incentive payment equal to 2% of the total allowed Part B charges for all covered professional services furnished during the 2009 reporting period. Section 1848(m)(6)(C) of the Act, as redesignated and amended by the MIPPA, defines “reporting period” for the 2009 E-Prescribing Incentive Program to be the entire year. Therefore, unlike the reporting period for the 2009 PQRI where the reporting period could be either 6 or 12 months, the reporting period for the 2009 e-Rx incentive program is defined as the entire calendar year for all eligible professionals.

Incentive payments for successful electronic prescribers for future years are currently authorized as follows:

- 2% for 2010 – payable in 2011.
- 1% for 2011 and 2012 – payable in 2012 and 2013.
- 0.5% for 2013 – payable in 2014.

Payment Information for MA Plans:

Providers who have not contracted with an MAO (including physicians 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 e-Rx incentive payments from that organization. When such providers are determined by fee-for-service (FFS) Medicare to be successful e-prescribers by qualifying for the 2%

incentive payment under the 2009 e-Rx incentive program, MAOs are also required to pay those providers 2% of the Medicare allowed charges for any covered professional services rendered in 2009 to members of their own MA plan(s). Such payments are due whether the provider has Participation status under the FFS program. MAOs are permitted to forgo payment to a non-contracting or “deemed” provider only when the total amount due is less than \$1.00. Otherwise, payment of e-Rx incentives is required. See the 2010 and 2011 Call Letters for additional information.

A file of providers eligible for 2009 e-Rx incentives is now available. Incentive payments for claims incurred in a given year are payable the following year in a lump sum. Thus, e-Rx payment incentives earned for claims for dates of service in 2009 are now payable in a lump sum in 2010.

To obtain the e-Rx incentive file for claims incurred in 2009, for payments due from PFFS and non-contracting MA plans in 2010, please follow the instructions below. Note that participation in the e-Rx program was relatively limited in 2009 - less than 50,000 successful participants.

A registered HPMS user can visit the Data Extract Facility from the Home Page of HPMS. There will be a link entitled “e-Rx File” on the left navigation bar. In addition to the data file itself, the user is provided the data file and record layout, below.

Note that the 2% e-Rx incentive is due only on Medicare the professional component of Part B physician fee schedule 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.

Computation of Bonus Due

For the TIN/NPI (must be an exact match on both numbers) the non-contracting/deemed MAO is to pay an additional e-Rx incentive of 2.0% of the total amount paid to the provider for Part B physician fee schedule services its MA plan members received with dates of service between January 1 and December 31, 2009. The e-Rx incentive is due on 100% of the physician fee schedule amount, including member cost sharing.

Data File and Record Layout

File Layout

Field Name	TAXID (TIN)	NPI
position	(1-10)	(11-29)
	123456789	1234567890
	xxxxxxxxx	xxxxxxxxx

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(19)B(19)	Left justified, nine blank bytes.
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If you have any questions regarding the e-Rx program, please contact your 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 e-Rx file from HPMS, you may contact the HPMS Help Desk at hpms@cms.hhs.gov or 1-800-220-2028.