

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



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**DATE:** September 8, 2011

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

**FROM:** Cheri Rice, Director  
Medicare Plan Payment Group

**SUBJECT:** Physician Quality Reporting System (PQRS) 2010 Data File

Physicians and other qualified professionals are eligible to receive lump sum incentive payments in 2011 for the successful reporting of quality measures on claims for Medicare Part B services provided to beneficiaries in 2010. The Physician Quality Reporting System (PQRS) program (formerly known as the Physician Quality Reporting Initiative (PQRI)) 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 the appropriate reporting period in 2010. Of the nearly 171,000 physicians and other qualified professionals that qualify for PQRS payments for 2010, only a little more than 14,000 are entitled to the payments for the six month reporting period (July – December 2010). All others are entitled to PQRS incentive payments for services provided during the whole year (January – December 2010). More information on the PQRS program is available at <https://www.cms.gov/PQRS/>

**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 PQRS payments from that organization. When such providers are determined by FFS Medicare to qualify for the 2% incentive payment under the 2010 PQRS program, MAOs are also required to pay those providers 2% of the Medicare allowed charges for any covered professional services rendered in 2010 (or only for services rendered in the last six months of 2010 in a small number of cases) to members of their own MA plans. This is so because the non-contracting or deemed physician or practitioner is entitled to the same amount from the MAO as FFS Medicare would have paid for the services. PQRS payments are due whether or not a physician or qualified professional has participation status with the FFS Medicare program. MAOs are permitted to forgo PQRS payments to qualified non-contracting and deemed providers only when the total amount due is less than \$1.00. Otherwise, payment of PQRS incentives is required.

To obtain the composite PQRS payment file for 2010, for payments due from MAOs in 2011, please follow the instructions below. Payments are generally due within 60 days of the date of this HPMS notice. MA organizations should include an explanation to providers with PQRS incentive payments in order to explain the source and reason for the payment.

See the 2011 Call Letter (Advance Notice of Methodological Changes for Calendar Year 2011...) 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 “Incentive Payments>PQRI” 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.

### Computation of PQRS Incentive Payment Due

Providers are entitled to a 2% PQRS incentive for professional services provided to MA plan enrollees of non-contracting and deemed MAOs during 2010. Note that entitlement to PQRS incentive payments is TAX ID/NPI-combination specific. A given physician/practitioner (identified by NPI) might not be due a PQRS incentive payment in another practice – identified by a different TAX ID/NPI-combination. The PQRS bonus is due on 100% of the physician fee schedule amount, including member cost sharing, and not just the plan’s portion of the payment. For TAX ID/NPI-combinations identified as “12” months, incentive payments are due for dates of service between January 1 and December 31, 2010; and for TAX ID/NPI-combinations identified as “06” months, incentive payments are due for dates of service between July 1 and December 31, 2010.

### 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
	xxxxxxxxxx	xxxxxxxxxxx	12
	xxxxxxxxxx	xxxxxxxxxxx	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 PQRS program, please contact your CMS Account Manager. If you have any questions about this HPMS notice, please contact Julie Uebersax at [Julie.Uebersax@cms.hhs.gov](mailto:Julie.Uebersax@cms.hhs.gov). If you encounter technical difficulties when downloading the PQRS file from HPMS, you may contact the HPMS Help Desk at [hpms@cms.hhs.gov](mailto:hpms@cms.hhs.gov) or 1-800-220-2028.