

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Center for Medicare
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MEDICARE PLAN PAYMENT GROUP



DATE: October 19, 2012

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

FROM: Cheri Rice, Director
Medicare Plan Payment Group

SUBJECT: E-Prescribing (e-Rx) Incentive Payment and Adjustment 2012 Data Files

Non-contracting physicians and other qualified professionals are eligible to receive lump sum incentive payments of 1% in 2012 for successful electronic prescribing (e-Rx) in 2011 from MA organizations. Eligible professionals are physicians and other practitioners described in section 1842(b)(18)(C) of the Social Security Act, including physical and occupational therapists, qualified speech-language pathologists, and qualified audiologists. However, eligibility for e-Rx incentive payments is restricted to those eligible professionals with prescribing authority. Please note that this requirement for MA organizations only applies to claims for non-contracting providers.

E-Rx financial incentives are available for the years 2009 through 2013 (payable in years 2010 – 2014). A “successful electronic prescriber” is eligible to receive an incentive payment equal to 1% of the total allowed Part B charges for all covered professional services furnished during the 2011 reporting period, which is equal to the entire calendar year. There were over one hundred thousand successful electronic prescribers in 2011. More information on the e-Rx program is available at <https://www.cms.gov/ERXincentive/>

Payment Information for MA Plans:

Providers 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 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 1% incentive payment under the 2011 e-Rx incentive program, MAOs are also required to pay those providers 1% of the Medicare allowed charges for any covered professional services rendered in 2011 to members of their own MA plan(s). Such payments are due whether or not 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. 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/Medicare/Health-Plans/MedicareAdvtgSpecRateStats/Downloads/Advance2011.pdf>

Computation of Bonus Due

For the TIN/NPI (must be an exact match on both numbers) for non-contracting providers, the MAO is to pay an additional e-Rx incentive of 1.0% 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, 2011. The e-Rx incentive is due on 100% of the physician fee schedule amount, including member cost sharing, not just the plan's portion of the payment.

Data File and Record Layout

An Excel file (eRx 2012 pay.xlsx) of providers eligible for 2011 e-Rx incentives, payable in 2012, is now available. A registered HPMS user can visit the Data Extract Facility from the Home Page of HPMS. There will be a link entitled "Incentive Payments" on the left navigation bar. Go to the drop down menus and select "PQRI" and "2012." The files will appear. 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.

In addition to the data file itself, the user is provided the data file and record layout, below.

File Layout

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

If you have any questions regarding the e-Rx program, please contact your Account Manager. If you have any questions about the content of this memo, please contact Tom Kornfield on (410) 786-3116 or by e-mail at Thomas.Kornfield@cms.hhs.gov. 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.

e-RX Payment Adjustments

Eligible professionals, and selected group practices participating in the Group Practice Reporting Option (GPRO) for eRx, who were deemed successful electronic prescribers for the 2010 eRx Incentive Program were automatically exempt from the 2012 eRx payment adjustment for that

Taxpayer Identification Number (TIN). The file we are providing (eRx 2012 pay adj.xlsx) has been updated through August 2012 to delete additional providers who are not subject to the 2012 eRx payment adjustment. Any provider appearing on this list (TIN/NPI) is subject to a 1.0% eRx payment penalty for Part B services provided to Medicare beneficiaries in 2012. This potentially includes Part B professional services provided to MA plan enrollees by non-contracting providers. Additional information is available on the CMS website at <http://www.cms.gov/ERXincentive>.