

What is Medicare’s Electronic Prescribing Incentive Program?

The Medicare Improvements for Patients and Providers Act of 2008 (MIPPA) authorized a new incentive program for eligible professionals who are successful electronic prescribers (E-Prescribers). Practitioners who participate between 2009 and 2013 receive incentive payments. Beginning in 2012, eligible professionals who do not successfully participate in the Electronic Prescribing Incentive Program will be penalized with a reduction in their Medicare payments, referred to as a payment adjustment. Physicians who participate in the E-Prescribing Incentive Program can also participate in the Physician Quality Reporting System (PQRS – formerly known as the Physician Quality Reporting Initiative or PQRI).

What are the reporting periods for 2011 and 2012 incentives?

The reporting period for the 2011 and 2012 e-prescribing (E-Rx) incentive is one year in length. It begins on January 1 of the incentive payment year and ends on December 31 of that same year.

Is participation in E-Rx mandatory as a condition of payment under Medicare?

Physicians who do not meet the program requirements for participation will not be required to use electronic prescribing. Instead, eligible physicians who qualify will receive a bonus for the use of a qualified E-Rx system. The legislation that created the program mandated a gradually decreasing bonus incentive followed by a penalty program. Only those who are eligible for the program will face a penalty if they do not fulfill the requirements. The bonuses and penalties are listed below:

Year	Bonus	Penalty	Difference for e-prescribers
2009	+2%	N/A	
2010	+2%	N/A	+2%
2011	+1%	N/A	+2%
2012	+1%	-1%	+1%
2013	+0.5%	-1.5%	+2%
2014	N/A	-2%	+2%
and beyond			+2%

How is the incentive payment calculated?

The e-Rx incentive amount is based on the allowed charges for all Physician Fee Schedule services furnished by the eligible professional during the year. This would generally include all cardiologist services, but would exclude services such as labs and part B drugs that are not priced on the physician fee schedule.

How is the penalty calculated?

The e-Rx penalty is based upon services furnished either in the first six months of the year preceding the payment year or the full 12 months two years prior to the payment year. Thus, the 2012 penalty is based on services furnished from January 1 through June 30, 2011. The 2013 penalty will be based on services furnished from January 1 through December 31, 2011 or January 1 through June 30, 2012. Those eligible professionals for whom the prescribed services total at least 10 percent of their charges must report the E-Prescribing Incentive Program E-Rx

measure at least 10 times during a six-month reporting period or at least 25 times during a 12-month reporting period to avoid having all of their Medicare payments reduced for the applicable year. Eligible professionals can choose whether to report the E-Rx measure during the six-month reporting period or the 12-month reporting period.

What is the reporting period for the payment adjustment?

For the 2012 payment adjustment, there was one reporting period: January 1 to June 30, 2011. Going forward, there will be two reporting periods for each payment adjustment year. The first reporting period lasts for 12 months and is two years before the payment adjustment year, while the second option lasts for six months and is the year preceding the payment adjustment year. Thus, the 2012 penalty is based on services furnished from January 1 through June 30, 2011. The 2013 penalty will be based on services furnished from January 1 through December 31, 2011 or January 1 through June 30, 2012. For 2014, the reporting periods will be January 1 through December 31, 2012 and January 1 through June 30, 2013.

Are there exemptions from the E-Rx payment adjustment?

Yes, there are four specific exemptions for eligible professionals from the E-Rx payment adjustment. In order to qualify for exemption from the 2012 payment adjustment, you must apply via the CMS web portal [link to site] by the end of the payment adjustment reporting period. The exemptions are as follows:

- Practice in rural area with limited high-speed internet access
- Practice in area with limited available pharmacies for electronic prescribing
- Inability to electronically prescribe due to local, state or federal law or regulation
- Prescribe fewer than 100 prescriptions during a six-month payment adjustment reporting period

How do I request a hardship exemption from the E-Rx payment adjustment?

You can request a hardship exemption from the E-Rx payment adjustment by visiting the [CMS website](#) and providing the requested information. This includes:

- Name
- Address
- NPI
- Tax ID number
- E-mail address
- Telephone number
- Exemption category (ies) you believe you meet
- Justification for the exemption request

You may be asked to furnish supporting documentation at a later date if necessary.

What is the deadline for requesting a hardship exemption from the E-Rx payment adjustment?

The deadline for requesting a hardship exemption from the 2012 payment adjustment was November 8, 2011. If you did not submit a request by that time, you will receive a one percent Medicare payment reduction in 2012. Going forward, the deadline will be the last day of the

reporting period for the payment adjustment. Thus, the deadline for the 2013 adjustment will be June 30, 2012, and for the 2014 adjustment, it will be June 30, 2013.

**Do I have to participate in PQRS if I want to participate in the E-Rx Incentive Program?
Can I participate in both?**

No, you do not have to participate in the PQRS if you want to participate in the E-Rx Incentive Program, but you do have the option to do so.

Can I participate in both the E-Rx Incentive Program and the EHR Incentive Program?

You cannot be paid for participation in both the E-Rx Incentive Program and the EHR Incentive Program. HOWEVER, if you decide to participate in the EHR Incentive Program, you do not automatically avoid the E-Rx payment adjustment. Instead, you will need to meet the requirements set forth by CMS regarding the payment adjustment, as well as the EHR Incentive Program's E-Rx requirement in order to successfully participate in the EHR Incentive Program and to avoid the E-Rx payment adjustment.

Are there incentive limitations?

Eligible professionals must have and use a qualified E-Rx system or a certified EHR in order to obtain the incentive and to avoid the penalty. In addition, at least 10 percent of eligible professionals' Medicare Part B covered services must be made up of codes that appear in the denominator of the E-Rx measure. For cardiologists, this means that 10 percent of Medicare allowed charges must come from office visits or consultations. For some physicians who perform the majority of their work in the facility or inpatient setting, this threshold may not be reached. Additionally, the prescriptions must be generated at the time of a service that is included in the denominator of the code.

How do I know if I have a qualified E-Rx system or if I have a certified EHR?

In order to report this measure, a qualified E-Rx system must have been adopted. A qualified E-Rx system is one that is capable of **ALL** of the following:

1. Generating a complete active medication list incorporating electronic data received from applicable pharmacies benefit managers if available;
2. Selecting medications, printing prescriptions, electronically transmitting prescriptions, and conducting all alerts (defined below);
3. Providing information related to lower cost, therapeutically appropriate alternatives (if any);
4. Provide information on formulary or tiered formulary medications, patient eligibility, and authorization requirements received electronically from the patient's drug plan (if available)

The system must employ, for the capabilities listed, the E-Rx standards adopted by the Secretary of Health and Human Services for Part D by virtue of the 2003 Medicare Modernization Act (MMA).

Alternatively, an e-Rx system that is included in an electronic health records (EHR) system that is certified under the federal EHR Incentive Program will be considered a qualified E-Rx system.

DEFINITIONS:

E-prescribing – The transmission, using electronic media, of prescription or prescription-related information between a prescriber, dispenser, pharmacy benefit manager, or health plan either directly or through an intermediary, including an E-Rx network. E-prescribing includes, but is not limited to, two-way transmissions between the point of care and the dispenser.

Alerts – Written or acoustic signals to warn prescriber of possible undesirable or unsafe situations, including potentially inappropriate dose or route of administration of a drug, drug-drug interactions, allergy concerns, or warnings and cautions.

How do I register to participate in the program?

There is no sign-up or pre-registration to participate in the E-Prescribing Incentive Program. Beginning Jan. 1, 2009, eligible professionals have been able to participate by reporting on their adoption and use of an E-Rx system by submitting claims information on one E-Rx measure on their Medicare Part B claims. Those who wish to participate via registry or EHR should consult with the registry or their EHR vendor for participation requirements.

Those looking to avoid the E-Rx penalty by submitting at least 10 e-prescriptions in the six-month reporting period preceding the payment year must submit those codes via claims, rather than registry or EHR.

How do I qualify to receive the incentive?

To qualify to participate in the E-Prescribing Incentive Program, at least 10 percent of a professional's services must be attributable to the following codes:

Patient visit during the reporting period (CPT or HCPCS): 90801, 90802, 90804, 90805, 90806, 90807, 90808, 90809, 90862, 92002, 92004, 92012, 92014, 96150, 96151, 96152, 99201, 99202, 99203, 99204, 99205, 99211, 99212, 99213, 99214, 99215, 99304, 99305, 99306, 99307, 99308, 99309, 99310, 99315, 99316, 99324, 99325, 99326, 99327, 99328, 99334, 99335, 99336, 99337, 99341, 99342, 99343, 99344, 99345, 99347, 99348, 99349, 99350, G0101, G0108, G0109

What is the process for reporting?

Much like the PQRS, eligible professionals have three options for participating in the incentive side of the program. They can report the additional code via claims, registry or EHR. For those reporting to avoid the payment adjustment, it depends on which reporting period is being used. If reporting e-Rx during the 12-month reporting period that occurs two years before the payment year, eligible professionals can report using claims, registries or EHRs. If reporting e-Rx during the six-month reporting period that occurs in the year prior to the payment year, eligible professionals can only report the E-Rx measure via G-code. .

For each office visit performed on a Medicare patient, the practitioner must report the following if the practitioner meets the requirements to be an eligible professional:

G8553: At least one prescription created during the encounter was generated and transmitted electronically using a qualified eRx system

If the practitioner is in a rural area with limited high-speed internet access, he or she may report G8642. The 2012 Medicare physician fee schedule indicates that the code is G9642, but ACC has verified with CMS officials that this is incorrect and the Agency will be issuing a correction in the near future.

Practitioners in areas with limited numbers of pharmacies with E-Rx capabilities can report G8643.

Individuals who fit either of these two categories can also avoid the penalty by filing a request for a hardship exemption.

Can I get a bonus payment if I do not have an E-Rx system?

No. All of the codes above require that you have either qualified E-Rx technology or a certified EHR.

What are the reporting requirements?

For the 2011 E-Rx reporting year, to be a successful e-prescriber and to receive an incentive payment, an eligible professional must report the E-Rx measure at least 25 times in conjunction with a service listed in the denominator of the measure. In 2012, the requirements will be the same.

To avoid the E-Rx penalty, an eligible professional must report the E-Rx measure at least 25 times during the 12-month period two years prior to the payment year or 10 times during the first six months of the year preceding the payment year..

When will I get my bonus payment?

Practitioners will receive bonus payments some time in the year following the reporting period, generally late summer or fall. For 2011, bonus payments would likely be made in mid2012.

Can a physician assistant receive a bonus payment for participation?

All practitioners who treat Medicare patients and have prescriptive authority are eligible to participate in the E-Rx bonus incentive program. This may include physician assistants and nurse practitioners, subject to state scope of practice laws.

Who can I contact for help at the ACC?

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