

## Overview of the Medicare 2009 E-Prescribing Incentive Program

The Medicare Improvements for Patients and Providers Act of 2008 (MIPPA) authorized a new incentive program for eligible professionals who use electronic prescribing (e-prescribing). The new program is focused on promoting the adoption and use of e-prescribing systems. **The program will begin in January 2009.** This incentive is similar to, but separate from, the previously implemented Physician Quality Reporting Initiative (PQRI).

### Physician Eligibility

Eligible professionals include physicians and other recognized practitioners under the Medicare Act who have prescribing authority within their scope of practice.

The incentive is limited in 2009 to eligible professionals whose estimated allowed charges for “e-prescribing measure” procedural codes (defined below) are at least 10% of their total Medicare Part B Physician Fee Schedule allowed charges for the reporting period. Most office-based general internal medicine physicians and subspecialists should easily meet this 10% threshold.

### Patient Eligibility

This incentive only applies to services provided to patients within the Medicare Part B Fee-For-Service program. **It does not apply to patients covered under a Medicare Advantage program.**

### Reporting Periods

Reporting periods are from January 1 through December 31 each year. Providers who are successful electronic prescribers in 2009 are eligible to receive an incentive payment for 2009 charges submitted by no later than February 28, 2010.

### Incentive Amounts

The e-prescribing incentive for eligible, successful e-prescribers in 2009 is 2% of their **total allowed charges** for professional services covered by the Medicare Part B Physician Fee Schedule. The incentive amounts for each year of the program will adjust as more providers are able to begin using e-prescribing systems. The incentive is also 2.0% for reporting year 2010; for reporting years 2011 and 2012 it is 1.0%; and for reporting year 2013 it is 0.5%.

### Qualified E-prescribing System

Eligible professionals must use a “qualified” e-prescribing system defined as a system that meets the following criteria. The system must be able to:

- Generate an active medication list incorporating electronic data received from applicable pharmacies and benefit managers (PBMs). (if available).

- Select medications, transmit prescriptions electronically, and warn the prescriber of possible undesirable or unsafe situations.
- Provide information on lower-cost, therapeutically-appropriate alternatives if there are any. (For 2009, the system's capability to receive tiered formulary information will suffice for this requirement.)
- Provide information on formulary or tiered formulary medications, patient eligibility, and authorization requirements transmitted electronically from the patient's drug plan. (if available).
- A qualified system must convey the above information using the messaging and interoperability standards currently in effect for the Medicare Part D e-prescribing program.

### **Successful Electronic Prescriber Defined**

A successful e-prescriber is one who meets all eligibility requirements and reports the e-prescribing quality measure on their Medicare Part B claims form on at least 50 % of applicable cases during the reporting year.

The e-prescribing measure has two basic elements. (1) a reporting denominator (consisting of a set of service codes) that defines the circumstances when the measure is reportable; and (2) a reporting numerator consisting of a set of specific "G" codes, one of which must be reported for successful reporting.

The applicable denominator service codes for the electronic prescribing measure are Codes: 90801, 90802, 90804, 90805, 90806, 90807, 90808, 90809, 92002, 92004, 92012, 92014, 96150, 96151, 96152, 99201, 99202, 99203, 99204, 99205, 99211, 99212, 99213, 99214, 99215, 99241, 99242, 99243, 99244, 99245, and G Codes: G0101, G0108, G0109. The measure has no diagnosis codes or age/gender requirements in order to be included in the denominator.

The applicable three numerator codes are:

- G8443 to report that all prescriptions in connection with the visit billed were electronically prescribed;
- G8445 to report that no prescriptions were generated during the visit; and
- G8446 to report when some or all prescriptions were written or phoned in due to patient request, State or Federal law, the pharmacy's system being unable to receive the data electronically or because the prescription was for a narcotic or other controlled substance.

One of the G-codes must be reported on the same claim as the denominator procedure billing code to be considered a successful e-prescribing event.

### **Adjustment Amounts**

Beginning 2012, if the eligible professional is not a successful e-prescriber for the reporting period, they will face a penalty. Their total estimated Medicare Part B fee schedule amount during the year shall be reduced by:

- 1.0% for 2012,
- 1.5% for 2013, and

- 2.0% for 2014 and each subsequent year.

Final rules on how this penalty will be implemented have not been established at this time.

The Secretary of Health and Human Services (HHS) may, on a case-by-case basis, exempt an eligible professional from the application of the payment adjustment, if the Secretary determines, subject to annual renewal, that compliance with the requirement for being a successful e-prescriber would result in a significant hardship.

### **Successful E-Prescriber Determination and Payment Procedure**

Determination of professionals who are successful e-prescribers for 2009 will be at the individual professional level, based on their National Provider Identifier (NPI). However, payment will be made to the practice represented by the Tax Identification Number (TIN) to which payments are made for the individual's professional services. For providers associated with more than one practice, determination of a successful e-prescriber for 2009 will be made for each unique NPI-TIN combination. Incentive payments for 2009 will be made by mid-year 2010.

#### **For Further Information:**

**Medicare's "Practical Guide to the E-prescribing Incentive Program**

<http://www.cms.hhs.gov/partnerships/downloads/11399.pdf>

**Additional Medicare materials on the E-prescribing Incentive Program at**

[http://www.cms.hhs.gov/pqri/03\\_EPrescribingIncentiveProgram.asp](http://www.cms.hhs.gov/pqri/03_EPrescribingIncentiveProgram.asp)

**"A Clinician's Guide to E-prescribing" developed by the Ehealth Initiative at**

<http://www.ehealthinitiative.org/eRx/clinicians.msp>

**The ACP E-Prescribing website that contains many helpful informational tools at**

[http://www.acponline.org/running\\_practice/technology/eprescribing/index.html#links](http://www.acponline.org/running_practice/technology/eprescribing/index.html#links)