

CMS Electronic Prescribing (eRx) Incentive Program Update: “Payment Adjustments” (Penalties) Coming Your Way

In the Final Rule published November 29, 2010, the Centers for Medicare & Medicaid Services (CMS) announced that beginning in 2012, eligible professionals who are not successful electronic prescribers will be subject to a payment adjustment (ie, penalty). The payment adjustment in 2012, with regard to all of the eligible professionals’ Part B-covered professional services, will result in the eligible professional or group practice receiving 99% of the Physician Fee Schedule (PFS) amount that would otherwise apply to such services. In 2013, the eligible professional will receive 98.5% of their covered Part B-eligible charges if they aren’t a successful electronic prescriber.

For purposes of determining which eligible professionals or group practices are subject to the payment adjustment in 2012, CMS will analyze claims data from January 1, 2011-June 30, 2011 to determine if the eligible professional has submitted at least 10 electronic prescriptions during the first six months of calendar year 2011. Group practices reporting as a GPRO I or GPRO II in 2011 must report all of their required electronic prescribing events in the first six months of 2011 to avoid the payment adjustment in 2012.

If an eligible professional or selected group practice wishes to request an exemption to the eRx Incentive Program and the payment adjustment, there are two “hardship codes” that can be reported via claims should one of the following situations apply:

- G8642 – The eligible professional practices in a rural area without sufficient high speed internet access and requests a hardship exemption from the application of the payment adjustment under section 1848(a)(5)(A) of the Social Security Act.
- G8643 – The eligible professional practices in an area without sufficient available pharmacies for electronic prescribing and requests a hardship exemption from the application of the payment adjustment under section 1848(a)(5)(A) of the Social Security Act. Additionally, there will be a G code which can be used by eligible professionals to indicate that they do not have prescribing privileges. Reporting this G code will prevent the eligible professional from being subjected to a payment adjustment in 2012.

Becoming a 2011 Successful E-Prescriber

Individuals or practices that are successful e-prescribers in 2011, will receive a 1% incentive payment (not available to professionals receiving 2011 incentive from the Medicare Electronic Health Record Incentive Program). To be considered a successful e-prescriber in 2011, eligible professionals must report at least 25 unique eRx events between January 1 and December 31, 2011 for patients in the denominator of the measure. At least 10% of the eligible professional’s charges must be based on codes in the denominator of the measure.

Avoiding Payment Adjustments in 2012 and 2013

If you are an eligible professional (MD, DO, nurse practitioner or physician assistant) and have at least 100 cases containing an encounter code in the measure denominator, you **must** become a successful e-prescriber by reporting at least 10 unique eRx events between January 1 and June 31, 2011. Earning an electronic health record (EHR) incentive for successfully participating in the CMS EHR Incentive Program in 2011 will not exempt an individual professional or group practice from the payment adjustment. If you are an eligible professional, you **must** be considered a successful e-prescriber in 2011 to avoid the 2013 penalty. You must report at least 25 unique eRx events between January 1 and December 31,

2011. Earning an EHR incentive for successfully participating in the CMS EHR Incentive Program in 2011 will not exempt an individual professional or group practice from the payment adjustment.

If you want to avoid payment adjustments in both 2012 and 2013, successfully report your electronic prescribing for at least 10 patient encounters between January 1 and June 31, 2011 and 25 events between January 1 and December 31, 2011.

For additional information about the CMS Electronic Prescribing (eRx) Incentive Program, please visit the CMS Web site at <http://www.cms.gov/erxincentive>.