

Medicare Electronic Prescribing Incentive Program Frequently Asked Questions (FAQs)

The FAQs were obtained directly from the Centers for Medicare and Medicaid Services' web site and from general inquiries received from the AAOS membership. These FAQs have been compiled as an educational resource only.

1. What is Electronic Prescribing?

Electronic Prescribing (E-prescribing) is 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-prescribing network. E-prescribing includes, but is not limited to, two-way transmissions between the point of care and the dispenser.

2. What is the Medicare Electronic Prescribing Incentive Program?

The e-prescribing incentive program is a separate incentive program that Congress passed under the MIPPA (Medicare Improvements for Patients and Providers Act of 2008) legislation. The program was implemented January 1, 2009 and participation in the program is voluntary. Eligible professionals (EPs) can receive incentive payments of 2 percent of total Medicare Part B payments in 2009 and 2010, 1 percent in 2011 and 2012, and 0.5 percent in 2013.

After 2013, the bonus program is scheduled to be phased out. EPs who do not adopt e-prescribing may face the following penalties: 1 percent reduction in covered Medicare Part B payments in 2012, 1.5 percent in 2013, and 2 percent in 2014 and beyond. The application of these penalties will likely be the subject of future Federal Register notice and comment rulemaking.

In order to participate, an eligible professional must have a qualified e-prescribing system, at least 10% of the eligible professional's Medicare Part B covered services must be made up of codes that appear in the denominator of the e-prescribing measure, and the eligible professional must report on one of the three G-codes at least 50% of the time on Medicare Part B claims. Claims reported in 2009 must be submitted no later than 2/28/2010 to receive 2% bonus.

3. What is the current status on efforts to allow electronic prescribing of controlled substances?

You may report using G8446 since that circumstance (controlled substances) is one of the system reasons. You will continue to report in this manner until the end of the reporting period, as CMS does not change its measure specifications during the reporting year.

4. Can a practice still use computer-generated faxes under the e-prescribing incentive program?

No. Prescriptions must be sent electronically via an e-prescribing system that meets the criteria for a qualified system. If the receiving network at the pharmacy converts an electronic prescription transmittal into a fax because the pharmacy cannot receive

electronic transmittals, this counts as e-prescribing. If the eligible professional's (EP's) e-prescribing system is only capable of sending a fax directly to the pharmacy, the EP's system is not a qualified e-prescribing system. See *Medicare's Practical Guide to the E-Prescribing Incentive Program* at <http://www.cms.hhs.gov/partnerships/downloads/11399.pdf>.

5. Should physicians report electronic prescribing associated with office visits provided as part of a global surgical package?

No. The payment for a surgical procedure includes a standard package of preoperative, intraoperative, and postoperative services. The preoperative period included in the global fee for major surgeries is one (1) day. The postoperative period varies for major surgery (90 days) and minor surgery (0 or 10 days) depending on the procedure. For endoscopic procedures, (except for procedures requiring an incision) there is no post-operative period. The Medicare-approved amount for these procedures includes payment for services related to the surgery furnished by the physician who performs the surgery. For further information on the global surgical package, visit the CMS website at <http://www.cms.hhs.gov>.

If a patient has an allowable Medicare Physician Fee Schedule (PFS) Part B covered professional service (not considered part of the global surgical package), that meets the denominator criteria for the quality measure(s) being reported (either e-prescribing or PQRI), then the physician should submit the appropriate quality-data code (CPT Category II and/or G-code) on the claim.

Please refer to posted detailed measure specifications to determine if the patient encounter code(s) being submitted meets the denominator criteria for the quality measure(s) being reported. Measure specifications for the Adoption/Use of Medication Electronic Prescribing Measure can be found at http://www.cms.hhs.gov/ERxIncentive/06_E-Prescribing_Measure.asp#TopOfPage.

For the e-prescribing measure, in order to successfully participate in this incentive program and be eligible for the incentive payment, an EP must have at least 10% of Medicare Part B allowed charges generated from the specific denominator codes (CPT or HCPCS) and report on at least 50% of all Medicare Part B patient encounters.

6. How should a physician report if the electronic prescribing system malfunctions?

If your electronic prescribing system is available but not used for one or more prescriptions due to patient/system reasons, the eligible professional should report quality-data code G8446. Please refer to the detailed measure specification for The Adoption/Use of Medication Electronic Prescribing Measure at <http://www.cms.hhs.gov/PQRI/03EPrescribingIncentiveProgram.asp#TopOfPage>

7. Is the Electronic Prescribing program applicable to Medicare Advantage or Medicaid patients?

Payments to physicians/non-physicians that have contracted with Medicare Advantage (MA) organizations generally are governed by the terms of the contract. It is up to the MA organization whether to take eligibility for an e-prescribing incentive payment into

account in establishing the amount the physician is paid. If the MA organization offers a private fee-for-service (PFFS) plan that meets access requirements through deemed providers, that MA plan is required to pay the same as traditional Medicare for covered services (Part B Physician Fee Schedule).

If the deemed physician/non-physician meets incentive eligibility for the e-prescribing program, that MA organization is required to pay an incentive amount. The amount of the incentive payment is calculated the same as for traditional Medicare (percentage of Medicare Part B estimated total allowed charges for PFFS plans).

Physicians/non-physicians who have not contracted with an MA organization, but who provide covered services to an enrollee in an MA plan, are also potentially eligible to receive e-prescribing incentive payment from that MA organization. If the physician/non-physician meets incentive eligibility, the physician/non-physician should expect to receive an incentive payment from any MA organization which he or she has billed as a non-contracted provider, or for which he or she has provided covered services under a PFFS plan that meets access standards by paying the Medicare payment rate. The amount of the e-prescribing incentive payment is calculated just as it is calculated for traditional Medicare for the reporting period.

8. If a physician works with a local pharmacy that does not have the electronic prescribing capability, will he/she be able to participate in the electronic prescribing incentive program?

If the eligible professional has access to a qualified e-prescribing system, but is unable to generate the e-prescription due to pharmacy system limitations, the quality-data code G8446 should be used for that patient visit (E-prescribing system available, but not used due to patient/system reasons).

9. When e-prescribing, do you select the patient and write the script or do you go into the patient database and enter the patient's allergies and list of medications and diagnoses?

Prescribe looking at the patient's meds and allergies. E-prescribing is no different than prescribing any other medication to any patient. For the E-Prescribing incentive you must report the correct G-code on the claim for the E/M service that is listed in the measure denominator.

10. A patient is seen in the office and the physician prescribes a non-narcotic that a physician can send electronically through the electronic prescribing software. The charges and G8443 code are entered into the practice's system and submitted prior to finding out the next day that the electronic submission did not work because the pharmacy was not able to receive it or there was a system glitch and the practice has to call the pharmacy instead. Is this case ineligible for reporting?

If your electronic prescribing system is available, but not used for one or more prescriptions because the pharmacy system is unable to accept the transmittal, the eligible professional should report quality-data code G8446. If your e-prescribing system is not available due to malfunction or some other reason, you have not transmitted an e-prescription and therefore cannot report a G-code under this circumstance. Please refer

to the detailed measure specifications for the Adoption/Use of Medication Electronic Prescribing Measure at http://www.cms.hhs.gov/ERxIncentive/06_E-Prescribing_Measure.asp#TopOfPage

11. Will the 2 percent incentive payment be subject to a “cap” for E-Prescribing?

No, the incentive payment is not subject to a cap.

12. What happens if only one eligible professional in a group practice submits data E-Prescribing? How will the payment be issued?

E-Prescribing is based on each individual eligible professional (NPI). If incentive-eligible, the incentive payment will be sent to the holder of the TIN.

13. What is a Tax Identification Number?

The Internal Revenue Service (IRS) assigns a unique Tax Identification Number (TIN) to various entities for tax reporting purposes. Employers should provide the unique TIN of the group health plan or practice. If you do not know the TIN you may need to consult your financial officer.

14. How will the eligible professional know if they have successfully reported for 2009 E-Prescribing?

After submitting your claim, all quality-data codes (CPT II & G-codes) for E-Prescribing and PQRI incentive programs will be denied by the carrier using the standard denial remark code “N365” on the Remittance Advice (RA) Notice (some practices refer to this as the “EOB”) that the Carrier/MAC will send to them after processing the claim.

Practices need to check these notices on a regular basis to ensure each QDC receives that denial code. If you don’t see it, you will need to contact the carrier to determine why. It is possible that there is something else wrong with the claim that resulted in either a claim rejection by the carrier or a claim denial. The N365 will appear on the RA for each claim that contains a QDC whether submitted on an electronic 837-P claim or a paper CMS 1500 claim. The RA with denial code N365 is your indication that the E-Prescribing codes were passed into the National Claims History (NCH) file for use in calculating incentive eligibility.

15. If we start submitting E-Prescribing claims on 7/1/09, will the 2% incentive be calculated for the full year 2009 or for July 2009 – December 2009?

The 2009 reporting period is from January 1 through December 31, 2009. An eligible professional must report one of the three G-codes at least 50% of all applicable Medicare Part B FFS patients using a qualified e-prescribing system. If you start July 1st, you would need to report on 100% of the patient encounters to “catch up” for missing the earlier reporting and achieve the 50% overall for the year and receive the 2% incentive payment.

16. Health plans offering Medicare Part D drug programs must begin supporting e-prescribing by May 2009. What does this mean for eligible professionals?

According to regulations, health plans that offer/sponsor Medicare Part D drug programs are required to establish and maintain, by May 2009, an electronic prescription drug program that complies with transaction standards adopted by CMS. This does not apply to an eligible professionals' eligibility.

17. How will the 2% incentive be calculated for Medicare Revenue earned for the Entire Year for a Physician?

The 2% will be calculated based on each physician's total Medicare Part B charges for the reporting year.

Example:

Allowed charges for all Part B covered services excluding Part B drugs and Labs not priced on the physician fee schedule = \$700,000
 Denominator/Office Based Codes= 10%

\$700,000 (Total Allowable Medicare Part B Charges)
 $\frac{\$700,000}{10} \times 10\% \text{ (Denominator/Office Based Codes)}$
 \$ 70,000 (Services billed using E/M codes specified in the denominator)

\$70,000 x 2% (incentive) = \$1,400 per physician

This is just a hypothetical scenario as your revenue and office based charges could be more which would change the figure. To calculate whether or not the physician meets the 10% threshold of the total Medicare Part B charges:

$\frac{\$70,000 \text{ (Services billed using the E/M codes)}}{\$700,000 \text{ (Total allowed charges for all Part B Charges)}} \times 100 = 10\%$

18. When calculating the total Medicare allowable charges, are there any exclusions to be aware of?

Part B drugs and labs are excluded from the total allowable charges. Charges for the technical component of diagnostic imaging such as MRIs is also excluded.

19. Is Medicare Railroad qualified to participate in the E-Prescribing program?

Yes, the E-Prescribing Incentive Program encompasses both Railroad Retirement and Medicare Secondary Payer claims.

20. Is there any mitigation if we start later in the year? For example, if we participate in September 2009, can we still get a reduced incentive (i.e. 1%)?

According to CMS, there is no mitigation if your practice start later in the year i.e. September. There is no pro-rated incentive. Please keep in mind that this is voluntary and there is no need to rush to participate if the practice is not ready. Your physicians in

the practice could participate for 2010 reporting period which would also offer the 2% incentive bonus.

21. For Emergency department visits can an eligible professional bill with E- Prescribing G-Codes?

No. Emergency department visits cannot be billed with E-Prescribing G-codes. The CPT codes in the denominator are office consultations only.

22. What requirements/qualifications are needed to successfully participate in the E- Prescribing Incentive Program?

To be a successful e-prescriber for the 2009 e-prescribing Incentive Program, an eligible professional must have adopted a qualified e-prescribing system that employs standards adopted by the Secretary for Part D by virtue of the 2003 Medicare Modernization Act (MMA) and is capable of **ALL** of the following functions:

- Generating a complete active medication list incorporating electronic data received from applicable pharmacy drug plan(s) if available
- Selecting medications, printing prescriptions, electronically transmitting prescriptions, and conducting all alerts (defined below)
- Providing information related to lower cost, therapeutically appropriate alternatives (if any) (the availability of an e-prescribing system to receive tiered formulary information, if available, would meet this requirement for 2009)
- Providing information on formulary or tiered formulary medications, patient eligibility, and authorization requirements received electronically from the patient's drug plan, if available

Two additional criteria must also be met for the incentive program to be a successful e-prescriber and qualify for the incentive: 1) Medicare charges for the e-prescribing measure codes (delineated in the denominator of the measure specification found at http://www.cms.hhs.gov/ERxIncentive/06_E-Prescribing_Measure.asp#TopOfPage) comprise at least 10% of total Medicare Part B allowed charges; and 2) at least 50% of all Medicare Part B patient encounters (denominator-eligible cases) for the e-prescribing measure must be reported during the 2009 reporting period.

23. What is meant by 10% of allowed charges for professional services covered by Medicare Part B referred to in the E-Prescribing Incentive Program?

To qualify for the Electronic Prescribing incentive, 10% of an eligible professional's (EP's) Medicare Part B allowed charges must be from the specified denominator codes (patient encounters) as identified in the detailed measure specification found at <http://www.cms.hhs.gov/ERxIncentive/>

In addition, EPs must report at least 50% of those encounters in order to be successful.

24. Do I have to participate in the Physician Quality Reporting Initiative (PQRI) in order to qualify for the E-Prescribing Incentive Program?

Eligible professionals are not required to participate in the PQRI program in order to participate in the E-Prescribing Incentive Program. However, eligible professionals may choose to participate in both the E-Prescribing and PQRI incentive programs.

25. Which providers are eligible for the incentive payments under E-Prescribing Incentive Program?

Orthopaedic surgeons and other eligible professionals who provide services under the Medicare Physician Fee Schedule are eligible to participate in the E-Prescribing Incentive Program. For a complete list of providers who are eligible to participate, visit http://www.cms.hhs.gov/ERxIncentive/05_Eligible%20Professionals.asp#TopOfPage.

26. If a patient calls to refill a prescription or requests a new prescription and there is no associated office visit (encounter) related to the phoned-in request, will this count towards e-prescribing?

No. To qualify for the e-prescribing measure, there must be a covered Physician Fee Schedule (PFS) service furnished during the reporting period at the time the prescription is e-prescribed, which meets the coding specified in the measure's denominator. Prescriptions generated without an encounter do not meet denominator inclusion criteria for E-Prescribing. Please refer to the E-Prescribing measure specification for service codes found in the denominator.

27. Will pharmacy drug claims be used to calculate provider eligibility for the E-Prescribing Incentive Program?

No. The E-Prescribing Incentive Program is limited to those professionals listed on the Eligible Professionals list on the E-Prescribing Incentive Program website, http://www.cms.hhs.gov/ERxIncentive/05_Eligible%20Professionals.asp#TopOfPage.

28. Should I adopt a stand-alone e-prescribing system or adopt an Electronic Health Record?

You should investigate all your options before selecting a system for your practice. There are some valuable websites available to help you determine which system will best suit your practice's needs. The GetRxConnected Program (www.getrxconnected.org) offers free, personalized assessments to help determine if an EMR is certified to connect to pharmacies electronically.

If interested in a stand-alone system, the National ePrescribing Patient Safety Initiative (www.nationalerx.com) offers free, qualifying stand-alone e-prescribing software. Keep in mind the draw-backs to having a stand-alone system are "double" data entry of patient demographic information and some challenges in transferring e-prescribing data from a stand-alone into a new EMR. The disadvantage of getting an EMR is that it is significantly more expensive than the stand-alone system.

Additional resources can be found at our E-Prescribing Information Center at <http://www.aaos.org/research/committee/evidence/eprescribing.asp> and the AMA E-Prescribing Learning Center at <http://www.ama-assn.org/ama/pub/erx/home.shtml>

Additional References:

1. Electronic Prescribing Incentive Program. The Centers for Medicare and Medicaid Services. Available at <http://www.cms.hhs.gov/ERxIncentive/>. Last Accessed June 2009.
2. FAQ Results. The Centers for Medicare and Medicaid Services. Available at <https://questions.cms.hhs.gov/>. Last Accessed June 2009.