

Changes to the Medicare Electronic Prescribing Incentive Program

The Centers for Medicare and Medicaid Services (CMS) established an electronic prescribing (eRx) incentive program for eligible professionals (EPs) with the passage of the Medicare Improvements for Patients and Providers Act of 2008 (MIPPA). EPs for this eRx program include physicians and other recognized practitioners under the Medicare Act who have prescribing authority within their scope of practice. An EP or group practice in 2011 who successfully adopts a qualified eRx system is eligible to receive an eRx incentive equal to 1 percent of their total Medicare Part B Physician Fee Schedule (PFS) allowed charges for service performed during the reporting period.¹² An EP does not need to sign up or preregister to participate in the 2011 eRx Incentive Program; submission of the required documentation automatically enrolls the EP into the program.

The CMS issued a final rule entitled *Changes to the Electronic Prescribing (eRx) Incentive Program*² (final rule), that became effective on October 6, 2011. The final rule details the changes to the eRx Incentive Program. The first change involves modifying the eRx quality measure to address uncertainties related to the technological requirements of the Medicare eRx Incentive Program. Additionally, the final rule adopts additional significant hardship exemption categories for the 2012 eRx payment adjustment. Finally, the final rule provides an extension of the deadline for submitting requests for the significant hardship exemption from October 1, 2011 to November 1, 2011.

Qualified eRx System

Previously, a qualified eRx system was one that is capable the following functionalities:

- 1) Generates a complete active medication list incorporating electronic data received from applicable pharmacies and pharmacy benefit managers, if available;
- 2) Selects medications, prints prescriptions, electronically transmits prescriptions, and conducts all alerts;
- 3) Provides information related to lower cost, therapeutically appropriate alternatives (if any); and
- 4) Provides information on formulary or tiered formulary medications, patient eligibility, and authorization requirements received electronically from the patient's drug plan (if available).

The final rule expands the definition of a qualified eRx system to include electronic health record (EHR) systems that are certified by an authorized testing and certification body recognized by the Office of the National Coordinator for Health Information Technology.³

Payment Adjustment

EPs who are not successful electronic prescribers are subject to a payment adjustment to the Medicare Physician Fee Schedule beginning in January 2012. A 1 percent cut in fees for those who are not successful e-Prescribers will begin in 2012 and providers also face a potential 1.5 percent and 2 percent cut for 2013 and 2014, respectively. An EP will not be subject to the 2012 payment adjustment if one of the following applies:

- The EP is not a physician (the program includes doctors of medicine, doctors of osteopathy, and podiatrists), nurse practitioner, or physician assistant and does not generally have prescribing privileges;
- The EP does not have at least 100 cases containing an encounter code that falls within the eRx measure's denominator for dates of service between January 1, 2011 and June 30, 2011;
- The EP's allowed charges for covered professional services submitted for the electronic prescribing measure's denominator codes is less than 10 percent of the EP's total 2011 Medicare Part B PFS allowed charges;

¹ Medicare Learning Network Bulletin SE1120, available at <http://www.cms.gov/MLN MattersArticles/Downloads/SE1120.pdf>.

² CFR Part 414, *Medicare Program; Changes to the Electronic Prescribing (eRx) Incentive Program*, available at: <http://www.gpo.gov/fdsys/pkg/FR-2011-0906/html/2011-22629.htm>

³ To find out if an EHR is certified, visit the Certified Health Information Technology List at: <http://onc-chpl.force.com/ehrcert>.

- The EP reports a significant hardship code and CMS determines that the hardship code applies (see “Significant Hardship Exemptions” section below) and is granted an exemption; or
- The EP becomes a successful electronic prescriber for purposes of the 2012 payment adjustment by reporting the eRx measure via claims for at least 10 unique electronic prescribing events for patients in the denominator of the measure between January 1, 2011 and June 30, 2011.

Significant Hardship Exemptions

CMS allows an EP to request a significant hardship exemption to the 2012 eRx payment adjustment. A hardship exemption is subject to annual renewal on a case-by-case basis, and will be considered if one of the following circumstances applied to the EP or group practice from January 1, 2011 through June 30, 2011:

- 1) An EP registered to participate in the 2011 Medicare or Medicaid EHR Incentive Program and has adopted certified EHR technology;
- 2) The inability to electronically prescribe due to local, state, or federal law or regulation (e.g., controlled substances);
- 3) Limited prescribing activity;
- 4) Insufficient opportunities to report the e-prescribing measure due to limitations in the measure’s denominator;
- 5) Practice located in a rural area without sufficient high speed Internet access; or
- 6) Practice located in an area without sufficient available pharmacies for electronic prescribing.

Applying for Significant Hardship Exemption

CMS provides the following methods for providers to request consideration for a significant hardship exemption from the 2012 payment adjust:

- Individual EPs can submit an online request at:
https://www.qualitynet.org/portal/server.pt/community/communications_support_system/234.
 - CMS also provides a *Communication Support Page User Guide* that offers instructions on how to complete the Communications Support Page and request information such as the Physician Quality Reporting System/Electronic Prescribing reports or a hardship exemption from participating in the 2012 electronic prescribing. This guide is available at:
https://www.qualitynet.org/imageserver/pqri/documents/Communication_Support_Page_User%20Manual.pdf.
- Group practices who cannot use the web based tool should submit a written request, postmarked no later than November 1, 2011, to the following address: *Significant Hardship Exemptions, Centers for Medicare & Medicaid Services, Office of Clinical Standards and Quality, Quality Measurement and Health Assessment Group, 7500 Security Boulevard, Mail Stop S3-02-01, Baltimore, MD 21244-1850*. Technical problems do not allow group practices to submit significant hardship exemption requests using the web based tool.

References

- For questions regarding the e Prescribing Incentive Program and the payment adjustment, you can call the QualityNet Help Desk from 7am to 7pm CST either by phone at 1(866)288-8912 or by email at qnetsupport@sdps.org.
- A quick reference guide to the *Changes to the Electronic Prescribing (eRx) Incentive Program* is available at https://www.cms.gov/ERxIncentive/Downloads/2011eRxRule-QRG_09-06-2011F.pdf.
- The Medicare Learning Network provides a bulletin titled *Electronic Prescribing (eRx) Incentive Program 2011 Updates*, which is available at <https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/downloads/SE1107.pdf>
- Another bulletin on the *2011 Electronic Prescribing (eRx) Incentive Program Made Simple* is available at <https://www.cms.gov/ERxIncentive/Downloads/w2011eRxMadeSimple061711f.pdf>.