

**From:** Shaifali Ray [fpsscwebmaster@uhc.edu]  
**Sent:** Friday, January 09, 2009 2:13 PM  
**To:** Mary Patton  
**Subject:** FPSC Policy Watch - Update on Medicare E-prescribing Program for Part B Professionals

If this message is not displaying properly, [click here](#) to launch your browser.



January 2009

## Update on Medicare E-prescribing Program for Part B Professionals

FPSC Policy Watch provides information on recent and upcoming policy topics that affect faculty practices. The first issue, published in October 2008, highlighted the newly established Medicare electronic prescribing (e-prescribing) payment incentives, as described in the Medicare Improvements for Patients and Providers Act of 2008 (MIPPA). The Centers for Medicare & Medicaid Services (CMS) has since released the final 2009 Medicare physician fee schedule rule, which provides more details on how the 2009 e-prescribing program will be implemented.

### Overview

MIPPA established a new Medicare e-prescribing incentive program that uses a series of incentives and penalties to encourage professionals to e-prescribe. In 2009, the bonus is 2% of professionals' total Medicare Part B allowed charges. This bonus is separate from and in addition to any bonus received from the Physician Quality Reporting Initiative (PQRI). Penalties for failure to use e-prescribing do not begin until 2012. CMS has indicated that the implementation of the penalty provisions will be addressed in a future rule. [Read the previous FPSC Policy Watch](#) for more information about the incentives and penalties.

Measure 125 of the 2008 PQRI program relates to e-prescribing. For 2009, CMS is removing this measure from PQRI and using it as the basis for the 2009 e-prescribing program. Professionals identify encounters as defined by CPT/HCPCS codes in the specification and then report the appropriate G-codes on their Medicare Part B claims. (At some point, CMS may use Medicare Part D data instead of Part B claims, but not for the 2009 program.) Currently, the specification only encompasses CPT codes for visits in the professional office and outpatient settings. To learn more about the measure specification, visit CMS' [E-prescribing Incentive Program Web site](#).

To meet the criteria for the bonus, a provider must:

- Be an eligible professional
- Use a qualified e-prescribing system
- Report for at least 50% of the applicable encounters
- Have applicable encounters, as defined in the specification, account for at least 10% of his or her total Medicare Part B charges

### Eligible Professional

The definition of *eligible professional* is similar to the PQRI program. Professionals include physicians, physical and occupational therapists, qualified speech-language pathologists, nurse practitioners, physician assistants, clinical nurse specialists, certified registered nurse anesthetists,

certified nurse midwives, clinical social workers, clinical psychologists, registered dietitians, nutrition professionals, and qualified audiologists. Professionals must be authorized to prescribe in their state.

## Qualified E-prescribing System

Professionals cannot participate in the e-prescribing program unless they have a qualified system. Qualified systems must meet **all 4 criteria** listed below. During a November 19 Open Door Forum call, CMS stated that all 2008 Certification Commission for Healthcare Information Technology certified electronic health systems with an e-prescribing module are qualified systems.

A qualified e-prescribing system must:

- Generate a complete active medication list incorporating electronic data received from applicable pharmacies and benefit managers, if available.
- Select medications, print prescriptions, electronically transmit prescriptions, and conduct all alerts.
- Provide information related to lower-cost, therapeutically appropriate alternatives (if any). The ability of an e-prescribing system to receive tiered formulary information, if available, would meet this requirement for 2009.
- Provide information on formulary or tiered formulary medications, patient eligibility, and authorization requirements received electronically from the patient's drug plan (if available).

In the final 2009 Medicare physician fee schedule rule, CMS clarified the Part D standards that must be met for each criterion. Details about these standards can be found on page 69850 of the [Federal Register](#). In addition, CMS has posted guidelines for selecting a qualified e-prescribing system in [Medicare's Practical Guide to the E-prescribing Incentive Program](#).

## Reporting Requirement

To meet the requirement of reporting for at least 50% of applicable encounters, professionals do not need to e-prescribe per se but need to have a qualified system and must report 1 of the following on the applicable codes:

- **G8443**—All prescriptions created during the encounter were generated using a qualified e-prescribing system.
- **G8445**—No prescriptions were generated during the encounter, but the provider has access to a qualified e-prescribing system.
- **G8446**—Some or all prescriptions generated during the encounter were printed or phoned in as required by state or federal law or regulations, patient request, or pharmacy system being unable to receive electronic transmission; OR because they were for narcotics or other controlled substances. Provider does have access to a qualified e-prescribing system.

At the time of this publication, the CPT and HCPCS codes that define the applicable encounters are 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, G0101, G0108, and G0109.

CMS will calculate the reporting rate per professional, using the professional's National Provider Identifier (NPI) number and all of the professional's applicable encounters within a specific tax ID number (TIN).

## Volume Requirement

The e-prescribing program targets professionals who write a large number of prescriptions in the professional office and outpatient settings. To be eligible for an incentive bonus, a professional must meet the criteria above, and 10% of the provider's Part B charges must include the encounter codes defined in the measure. CMS excludes pharmaceuticals billed by physicians when calculating physicians' total Part B charges. These encounters occur in professional office and outpatient settings; therefore, professionals who provide services primarily in other settings, such as hospitals or skilled nursing facilities, may not be eligible for the bonus. Similarly, professionals who mainly perform

procedures may not be eligible because they fail to meet the 10% threshold.

CMS will determine the volume requirement at the end of the calendar year by evaluating the claims at the NPI and TIN levels.

## What Can You Do to Prepare for the CMS E-prescribing Program?

If your group uses an e-prescribing system, your providers may be eligible for the e-prescribing incentive program. Here are a couple of questions to consider:

- Is your e-prescribing system a qualified system? If not, what do you need to do?
- Do all eligible professionals use an e-prescribing system? If not, what are your plans to expand the use of e-prescribing?
- Have you done an analysis of the visit codes to determine how often they are used by your physicians?

## How Can the FPSC Help You?

The FPSC Procedure Summary report allows you to analyze the utilization of procedure information at the specialty and provider levels. Using CPT code-level data, the FPSC Procedure Summary report can help you identify areas in your practice plan that may qualify for e-prescribing incentive payments. [Learn more](#) about how to use this report to determine if the e-prescribing program applies to you.

The FPSC, in conjunction with the AAMC, will host a Web conference on e-prescribing on January 15 from 1:00 PM to 2:00 PM central time. The Web conference will provide additional information about e-prescribing and highlight how the FPSC reports can be used to evaluate if providers in your group may qualify for e-prescribing incentive payments. [Access instructions](#) for participating in the Web conference; you do not need to preregister.

## For More Information

To find out more about e-prescribing, contact [Mary Patton](#) at (202) 862-6297.

## Additional Resources

[E-prescribing Incentive Program Web site](#)

[2009 Medicare physician fee schedule](#)

[A Clinician's Guide to Electronic Prescribing](#)

[Other electronic prescribing resources](#)

© 2009 UHC-AAMC Faculty Practice Solutions Center. All rights reserved. UHC, University HealthSystem Consortium, and the associated logos are registered trademarks of the University HealthSystem Consortium in the United States and/or other countries. Faculty Practice Solutions Center, FPSC, and the associated logos are registered trademarks or trademarks of the University HealthSystem Consortium and the Association of American Medical Colleges in the United States and/or other countries.