



Physician Quality Reporting, E-Prescribing and Medicare Part D: Impact on the Provider Community

Background: On July 16, 2008, President Bush signed the Medicare Improvements for Patients and Providers Act (MIPPA) of 2008, extending expiring provisions in the Medicare program. The legislation included two provisions that are designed to incentivize the adoption of healthcare information technology solutions in the coming year.

Physician Quality Reporting Initiative (PQRI) Updates: PQRI is an initiative operated by CMS that provides additional incentive payments for providers who participate in quality reporting. Section 13 of MIPPA adds new requirements for quality reporting in the CMS Physician Quality Reporting Initiative in FY2009 and the years following pending new changes.

Requirements: Providers must report on at least 50% of eligible patients to receive credit for the bonus

Bonus: In 2009, eligible providers will be paid a 2% bonus on their Medicare reimbursement if they report on the set of 140+ quality measures.

Impact on E-Prescribing Formerly measure #125 on PQRI. **E-prescribing was removed from the 2009 version of PQRI. Will be reported independently.**

E-Prescribing: In accordance with authorization created in section 132 of MIPPA, beginning in 2009, and during the next four years, Medicare will provide greater reimbursement to eligible providers who are successful in adopting electronic prescription technology. Potential savings through reduced administrative burden and increased patient safety could be as high as \$156 million to the Medicare program.

Requirements:

- Providers must report on EVERY patient visit, even if an E-Prescription is not dispensed.
- Drug plans working with Medicare would be required to participate

Bonus: Sliding scale incentive payment for Medicare Part B charges

- 2009 and 2010: Providers will receive a 2% incentive
- 2011 and 2012: Providers will receive a 1% incentive
- 2013: Providers will receive a 0.5% incentive

Penalty Fee reduction is prospective. A provider will have to E-Prescribe by a date to be determined to be sure their fees are not reduced in 2012. Sliding scale penalty for providers that do not e-prescribe by 2012 will be penalized for Medicare Part B charges

- 2012: Providers will be penalized 1%
- 2013: Providers will be penalized 1.5%

Some information received from PQRI presentation, which is available at the CMS website:

<http://www.cms.hhs.gov/pqri>

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- 2014 and beyond: Providers will be penalized 2%

Exemptions A hardship exemption will be developed. Case-by-case consideration of provider location; technology capabilities; internet connections, etc.

E-Prescribing Conference: On October 6-7, CMS will host an [educational conference](#) on the E-Prescribing incentive payment program. The conference will take place in Boston, MA and will educate providers and stakeholders on how to participate in the program and to sort out how E-Prescribing will be incorporated into PQRI.