

Special to RIMS Members
Tuesday, June 14, 2011

Medicare's e-prescribing incentives will become penalties for some: June 30 is the turning point

Here is a brief refresher on where we are in the federal government's five-year program (2009 – 2014) to promote adoption of e-prescribing: eligible physicians (the definition can be found at www.cms.gov/ERXIncentive) must report the ePrescribing G-code, G8553, at least 10 times in the first six months of 2011 in order to qualify for a 1% bonus on all of their 2011 Medicare allowable charges for the year, payable in a lump in 2012; physicians who are eligible but fail to report G8553 at least ten times before June 30, 2011 (and who do not qualify for a hardship exemption) will be treated to a 1% Medicare payment *reduction* in 2012.

Under the program, all Medicare claims for services furnished between January 1, 2011, and June 30, 2011, must be received and processed no later than July 31, 2011.

Moreover, in order to win a 0.5% bonus the following year, 2013, and avoid a 1.5% payment penalty in that year, eligible physicians must report fifteen (15) additional e-prescriptions before December 31, 2011, for a total of at least 25 e-prescriptions during the calendar year 2011. In other words, the first half of 2011 is the reporting period that determines whether penalties are imposed in 2012, and 2011 taken as a whole will determine penalties for 2013.

In 2014, the positive payment incentives disappear entirely, and the penalty for *not* ePrescribing rises to a full 2% that year. The whole program of bonus payments and penalties is then designed to sunset after 2014.

The e-prescriptions must be generated electronically using a qualified ePrescribing system with certain specified capabilities, and the G-code (G8553) must be submitted with an eligible encounter.

A more detailed summary with links to further resources is available at <http://www.ama-assn.org/resources/doc/hit/faq-cms-incentive-program.pdf>

The ePrescribing program was mandated by the Medicare Improvements for Patients and Providers Act of 2008 (MIPPA). The ePrescribing incentive program is separate and apart from the "meaningful use" incentives for electronic health records established through the American Recovery and Reinvestment Act (ARRA) of 2009. It is also distinct from the Physician Quality Reporting System (PQRS), formerly known as PQRI; see www.cms.hhs.gov/PQRI