

RI REGIONAL EXTENSION CENTER

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You Have Until June 30, 2011 to Avoid Medicare eRx Penalties!

Are you a provider who:

- Has prescribing authority?
- Gets paid under the Medicare Part B Physician Fee Schedule?

If the answer to those questions is yes, read on to understand how the eRx penalties could impact your practice.

Medicare will begin to make payment adjustments (reductions) by 1% in 2012 and 1.5% in 2013 and 2% in 2014.

Note: Even if you are participating in the Medicare or Medicaid EHR incentive programs, you must still report information for the eRx program to avoid the penalties.

How can I avoid the eRx penalties in 2012 and 2013?

Submit 10 eRx events or exclusion codes by June 30, 2011 (to avoid the 1% penalty for 2012) and submit an additional 15 by December 31, 2011 (to avoid the 1.5% penalty for 2013).

Note: Earning an eRx incentive payment for 2011 will **not** necessarily exempt an Eligible Provider (EP) or group practice from the payment adjustment in 2012 but it will exempt an EP or Group Practice from a payment adjustment in 2013.

If I participate in the EHR Incentive program, am I exempt from the eRx penalties?

No—both Medicaid and Medicare EPs must submit the required codes in 2011 to avoid the eRx penalties. Centers for Medicare and Medicaid Services (CMS) will analyze claims data from January 1, 2011- June 30, 2011 to determine if the eligible professional has submitted the required electronic prescriptions during the first six months of calendar year 2011.

Do I have to do this even if I'm not planning to participate in the eRx Program?

Yes. The Medicare Improvements for Patients and Providers Act of 2008 authorizes CMS to apply this payment adjustment whether or not the eligible professional (physicians and other categories of providers) is planning to participate in the eRx Incentive Program.

Can I receive an incentive payment from both the EHR and the eRx Incentive programs? Medicaid EPs may receive a payment from both programs, but Medicare EPs may only receive an EHR incentive payment.

What if I am an EP that does not have prescribing privileges?

There is a G8644 code which can be used by EPs to indicate that they do not have prescribing privileges. Reporting this G8644 code prior to June 30, 2011 on at least one eligible claim will prevent the EP from being subjected to a payment adjustment in 2012.

What if I do not have an EHR, will I be able to meet the minimum requirements to avoid penalties?

Yes, you have the ability to use a free service produced by Allscripts & the National ePrescribing Patient Safety Initiative (NEPSI).

<http://www.nationalerx.com/redirect.htm>

Are there any additional exemptions from this reduction?

Yes, there are two additional “hardship codes” that EPs can submit on one claim prior to June 30, 2011 if they apply:

- G8642: The eligible professional practices in a rural area without sufficient high speed internet access and requests a hardship exemption from the application of the payment adjustment under section 1848(a)(5)(A) of the Social Security Act.
- G8643: The eligible professional practices in an area without sufficient available pharmacies for electronic prescribing and requests a hardship exemption from the application of the payment adjustment under section 1848(a)(5)(A) of the Social Security Act.

Please also be advised that the payment adjustment does not apply if less than 10% of an EPs allowed charges for the January 1, 2011 through June 30, 2011 reporting period are comprised of codes in the denominator of the 2011 eRx measure. The payment adjustment also does not apply if the EP has less than 100 cases containing an encounter code in the measure’s denominator for the reporting period.

Where do I get more information?

- Go to the CMS eRx Incentive Program site at https://www.cms.gov/ERxIncentive/20_Payment_Adjustment_Information.asp
- On CMS website: Download the *Medicare’s Practical Guide to the Electronic Prescribing (eRx) Incentive Program* under Educational Resources.
- Contact the Rhode Island Regional Extension Center (RI REC) for more information at (401) 276-9141 or visit <http://www.docehrtalk.org/>

Please be advised:

The CMS proposed changes to the Medicare Electronic Prescribing (eRx) Incentive Program on May 26, 2011. The proposed changes have not been finalized and the eRx Incentive Program rule has not been changed to date. However, we would like to make you aware that if the eRx Incentive Program rule is altered the changes may affect you and/or your practice. You may find the proposed changes announcement at:

<http://www.cms.gov/apps/media/press/factsheet.asp?Counter=3971&intNumPerPage=10&checkDate=&checkKey=&srchType=1&numDays=3500&srchOpt=0&srchData=&keywordType=All&chkNewsType=6&intPage=&showAll=&pYear=&year=&desc=&cboOrder=date>

The proposed new eRx Incentive Program rule can be found at:

http://www.ofr.gov/OFRUpload/OFRData/2011-13463_PI.pdf