Medicare's 2007 Physician Quality Reporting Initiative

The Tax Relief and Health Care Act of 2006 authorized the establishment of a voluntary physician quality reporting system by the Centers for Medicare & Medicaid Services (CMS). Called the Physician Quality Reporting Initiative (PQRI), the program offers participating providers the opportunity to earn a bonus payment for prospectively entering, into the CMS payment system, codes related to performance measures.

The PQRI program is part of CMS's overall focus on value-based purchasing, which CMS considers to be a key mechanism for transforming Medicare from a passive payer to an active purchaser of health care services. One way to think of the current Medicare Physician Fee Schedule is that it is based on the quantity of services provided and on the resources consumed, not on the quality or value of those services. CMS believes that incentives can encourage higher quality care and the avoidance of unnecessary costs, and therefore enhance the value of care.

In 2007, eligible professionals who successfully submit PQRI measures on claims for dates of service from July 1 to December 31 are eligible to earn a bonus payment of 1.5% of total allowed charges for covered Medicare Physician Fee Schedule services. Covered services include drug administration and evaluation and management services; laboratory services and drugs are excluded since they are not Physician Fee Schedule services. The bonus is subject to a cap, which will provide a payment less than 1.5% of allowable charges for providers who submit a limited number of measure codes. There is no patient copayment or beneficiary notification requirement associated with this program. Table 1 lists the professionals who can participate in PQRI.

To qualify as an "eligible professional" to earn any bonus payment, the Act specifies that participating providers must report on three measures for at least 80% of the applicable patients for those measures. If fewer than three measures are relevant to a provider's practice, one or two measures may be reported for at least 80% of the applicable patients; however, if fewer than three measures are reported, the statute requires CMS to validate whether other quality measures applicable to the services provided by the professional could have been reported. Providers are advised to carefully review the quality measures, identify all that apply, and report on three if possible.

CMS has published a list of 74 PQRI quality measures, including descriptions and detailed specifications, at www.cms.hhs.gov/PQRI. Eleven PQRI measures for consideration by oncology providers are listed in Table 2. Providers should

Table 1. Physician Quality Reporting Initiative Eligible Professionals

Physicians
MD/DO
Podiatrist
Optometrist
Oral surgeon
Dentist
Chiropractor
Therapists
Physical therapist
Occupational therapist
Qualified speech-language pathologist
Practitioners
Physician assistant
Nurse practitioner
Clinical nurse specialist
Certified registered nurse anesthetist
Certified nurse midwife
Clinical social worker
Clinical psychologist
Registered dietitian
Nutrition professional

review the complete list of quality measures on the CMS Web site to determine if other measures are applicable to their practice. Measures 71 to 74 are based on the American Society of Clinical Oncology and National Comprehensive Cancer Network (ASCO/NCCN) Quality Measures available at www.asco.org/qualitymeasures. CMS adapted the ASCO/NCCN Quality Measures for the PQRI program by changing the measure specifications to allow data collection at the physician level using the prospective claims-based reporting system. A detailed table of measures for consideration by oncology providers, including descriptions of eligible patients and coding requirements, is available at www.asco.org/pqri. The Act specifies that measures for the 2008 PQRI program must be published in the Federal Register by August 15, 2007.

PQRI measures are reported with claims for services using Current Procedural Terminology (CPT) category II quality codes or "G codes." (CPT category II codes and G-codes are Healthcare Common Procedure Coding system [HCPCS] codes.) In calculating the 80% of applicable patient participation rate, the denominator is defined by International Classification of Diseases, 9th Revision

Table 2. 2007 Physician Quality Reporting Initiative Measures for Consideration by Oncology Providers

Measure No.	Measure
25	Melanoma: Patient medical history
26	Melanoma: Complete physical skin examination
27	Melanoma: Counseling on self-examination
67	Myelodysplastic syndrome and acute leukemias: Baseline cytogenetic testing performed on bone marrow
68	Myelodysplastic syndrome: Documentation of iron stores in patients receiving erythropoietin therapy
69	Multiple myeloma: Treatment with bisphosphonates
70	Chronic lymphocytic leukemia: Baseline flow cytometry
71	Hormonal therapy for stage IC-III, estrogen receptor/progesterone receptor–positive breast cancer
72	Chemotherapy for stage III colon cancer patients
73	Plan for chemotherapy documented before chemotherapy administered
74	Radiation therapy recommended for invasive breast cancer patients who have undergone breast conserving surgery

(ICD-9), and CPT category I codes specified in the measure that are submitted as part of a claim for Medicare Physician Fee Schedule services by eligible professionals. If the specified denominator codes for a particular measure are not included on the patient's claim, then the patient does not fall into the denominator population, and the PQRI measure does not apply to the patient. If, however, the patient does fall into the denominator population, the applicable CPT Category II code or G code that defines the numerator should be submitted.

Modifiers for measures with CPT category II codes are provided to describe medical (1-P), patient (2-P), or system (3-P) reasons for exclusion of a patient from a measure's denominator population. Modifier 8-P may be used to indicate that the process of care was not provided for a reason not otherwise specified. Each measure also includes specific reporting instructions, including the reporting frequency, timeframes, and applicability.

What Steps Should Oncology Providers Take?

- When considering participation, an oncologist should review the list of measures and determine which are most relevant in his/her practice. If there are at least three measures that are applicable, three measures should be selected for reporting.
- To maximize the probability that participating oncologists will earn the full 1.5% bonus, providers should choose measures that will be reported on for as many patients as possible.
- The eligible patients, or denominators, for each measure should be carefully reviewed. Some measures that collect data on a subset of patients (eg, stage III colon cancer patients) involve reporting on a wider population (eg, all colon cancer patients). While this requires more coding effort, it dramatically increases the instances of reporting and maximizes the potential to earn the full 1.5% bonus.
- For more detailed instructions, see www.asco.org/pqri and www.cms.hhs.gov/PQRI.

To participate in PQRI reporting, claims must be submitted using the National Provider Identifier of the individual participating professional. Bonus payments for eligible professionals who successfully report will be made to the holder of the taxpayer identification number associated with the submitted claim, in a lump sum in mid-2008. Data reports will be provided to each participating practice following the data collection period; public reporting of this performance data is not planned.

On their national PQRI conference call on April 19, 2007, CMS indicated broad support for value-based purchasing from Congress, the Medicare Payment Advisory Commission, the Institute of Medicine, and the private sector. They encouraged participation in the PQRI as an investment in the future of physician practice and a way to prepare for higher bonus incentives over time, pay for performance, and public reporting of performance results. Eligible professionals should review the materials available on the CMS Web site and from ASCO and make a strategic decision about participating in the PQRI program.

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