Practical Tips

The 2011 Electronic Prescribing Incentive Program

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Overview of the Incentive Program

On November 29, 2010, the Centers for Medicare & Medicaid Services (CMS) published the final details of their electronic prescribing (e-Rx) incentive program for 2011. This program, which began in 2008 under the Medicare Improvements for Patients and Providers Act, provides incentive payments based on a percentage of total Medicare Part B payments for successful e-prescribers.

There are several changes of note for the 2011 program. For those who successfully e-prescribe in calendar year (CY) 2011, CMS has lowered the maximum incentive to 1% of all allowed charges for Physician Fee Schedule–covered professional services specific to a provider in CY 2011. For those who do not e-prescribe, CMS is introducing a 1% payment penalty (or an “adjustment,” as described by CMS) on 2012 claims. The incentive will be paid in a lump sum based on a physician’s total 2011 claims; the penalty will be applied on each individual claim beginning in 2012.

Certain physicians will be exempt from this program:

- Those with insufficient opportunities to e-prescribe (ie, physicians for whom < 10% of total Medicare Part B charges come from a CMS-defined set of 56 Current Procedural Terminology “denominator” codes, or physicians with < 100 claims for patient services that contain one of these codes; Table 1)
- Those who practice in an area without high-speed Internet access or available pharmacies with e-Rx capability

Otherwise, nearly all health care professionals with prescribing authority are eligible for this program. To qualify, eligible professionals (EPs) must report their use of an e-Rx system through a specific “numerator” code—G8553—on their Medicare Part B claims. This code must be used in conjunction with one of 56 denominator codes.

It is important to note that the process to earn the incentive payment differs from the process to avoid the reimbursement penalty. CMS has defined separate reporting criteria, periods, and mechanisms for the incentive and the penalty. To earn the 2011 incentive, an EP must report G8553 a total of 25 times in CY 2011. The EP may report via claims, an electronic health record (EHR), or a registry. To avoid the 2012 penalty, an EP must report G8553 at least 10 times between January 1 and June 30, and must report via claims (Table 2).

EPs should also be aware that, under current CMS rules, 2011 e-prescribing data will be used as the basis for the 2013

Table 1. Denominator Codes Required for Reporting Numerator Code G8553

Codes
90801, 90802, 90804, 90805, 90806, 90807, 90808, 90809, 90862
92002, 92004, 92012, 92014
96150, 96151, 96152
99201, 99202, 99203, 99204, 99205, 99211, 99212, 99213, 99214, 99215
99304, 99305, 99306, 99307, 99308, 99309, 99310, 99315, 99316
99324, 99325, 99326, 99327, 99328
99334, 99335, 99336, 99337
99341, 99342, 99343, 99344, 99345, 99347, 99348, 99349, 99350
G0101, G0108, G0109

penalty, which will increase to 1.5%. CMS has the option to change the reporting period for 2013 in future rulemaking, but EPs should seek to qualify in 2011 to avoid any chance of penalties in 2012 and 2013.

Group Reporting

Along with individual EPs, physician groups are also eligible to report as one entity. Qualifications to earn the incentive and to avoid the penalty depend on the group’s size; groups may be required to report G8553 as few as 75 or as many as 2,500 times.¹

The EHR Incentive Program

EPs can only receive incentives from either the e-Rx or EHR incentive program – not both. However, if an EP participates in the EHR incentive program, the physician will still be subject to the e-Rx penalties. Therefore, those enrolled in the 2011 EHR incentive program should also participate in the e-Rx program by reporting G8553 10 times via claims before June 2011 and 25 total times in CY 2011 in order to avoid the 2012 and 2013 penalties.

Additional Resources

Further details can be found at asco.org/e-incentives or cms.gov/erx incentive. EPs are also welcome to e-mail ehr@asco.org with questions.

Table 2. Summary of the Electronic Prescribing Incentive Program

Reporting Method	January 1 to June 30, 2011	July 1 to December 31, 2011	End Result
Claims	EP has an e-Rx system and reports G8553 at least 10 times	EP reports G8553 at least 15 more times (total of 25)	1% incentive on 2011 claims No penalties in 2012
EHR or registry	EP has an e-Rx system and reports G8553 at least 10 times	EP reports G8553 at least 15 more times (total of 25)	1% incentive on 2011 claims 1% penalty on 2012 claims
Claims, EHR, or registry	EP does not have an e-Rx system, does not report G8553	EP adopts an e-Rx system and reports G8553 at least 25 times	1% incentive on 2011 claims 1% penalty on 2012 claims
Claims, EHR, or registry	EP does not have an e-Rx system and does not report G8553		No incentive in 2011 1% penalty on 2012 claims 1.5% penalty on 2013 claims

Abbreviations: EP, eligible professional; e-Rx, electronic prescribing; EHR, electronic health record.

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Author's Disclosures of Potential Conflicts of Interest

The author indicated no potential conflicts of interest.

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Reference

1. US Department of Health and Human Services, Centers for Medicare and Medicaid Services: E-prescribing incentive program, group practice reporting option. http://www.cms.gov/erx incentive/07_group_practice_reporting_option.asp

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