2012 Electronic Prescribing Incentive Program

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Overview of the Program

On November 28, 2011, the Centers for Medicare & Medicaid Services (CMS) released the final details to the electronic prescribing (eRx) incentive program for 2012. The goal of this program is to increase the adoption of eRx through Medicare incentives and penalties. The eRx program affects the following eligible professionals (EPs): MDs, doctors of oncology, podiatrists, nurse practitioners, and physician assistants. EPs are automatically enrolled in this program, unless one qualifies for an exemption.

Impact on Reimbursement

EPs who do not report the use of an e-Rx system to CMS in 2012 will have 1.5% automatically deducted from their Medicare Part B Physician Fee Schedule (PFS) allowed charges in 2013. Physicians who do report can earn a bonus of 1% on their PFS-covered charges in 2012. As the requirements for avoiding the penalty are different from those for earning the incentive, it is possible to earn the incentive in 2012 yet also be penalized in 2013.

In 2013, the incentive will decline to 0.5%, and the accompanying penalty will increase to 2% (which will be applied in 2014). The last possible year to earn an incentive will be 2013. CMS has not been authorized to continue this program past 2014.

Qualifying for the Program

To successfully participate in the program, EPs must report a specific numerator code, G8553, on their Medicare Part B claims whenever they electronically create and send a prescription. Each instance of eRx must be reported in conjunction with one of 56 denominator Current Procedural Terminology and Healthcare Common Procedure Coding System codes. The list of possible codes has not changed from 2011 (Table 1).

EPs must report G8553 a total of 25 times in 2012 to earn the incentive. However, there are two reporting periods for providers who are new to the program. First, an EP must report G8553 a total of 10 times in the first 6 months of this year to avoid the 2013 penalty. Second, an EP must report the G code another 15 times before the end of the year to obtain the bonus payment. If an EP does not meet the criteria for the 6-month reporting period but still reports the G code 25 times throughout the rest of the year, he or she will qualify for both the 2012 incentive and 2013 penalty.

EPs can report G8553 through one of three methods to qualify for the incentive payment: a registry, an electronic health record (her), or claims. For the 6-month reporting period to avoid the 2013 penalty, however, CMS will only accept claim-based reporting. Furthermore, CMS will not combine multiple methods of reporting. Therefore, if an EP is starting the program for the first time this year, he or she may be limited to reporting the G code via claims.

Previous participants who earned the 2011 incentive are automatically excluded from the 2013 penalty and can ignore the 6-month reporting period in 2012. These providers can focus on reporting the G code 25 times this year to earn the incentive. All professionals who will qualify for the 2012 bonus payment will subsequently avoid the 2014 penalty (Table 2).

Group Reporting

A group practice can also report as one entity for the eRx incentive program. Groups participating for the first time this year must enroll in the program by following the Physician Quality Reporting System (PQRS) process for self-nomination. Groups must also participate in PQRS, although they do not have to meet the quality criteria to become eligible for the eRx incentive. More information can be found at the CMS Web site.

There is one change in group reporting this year: groups containing fewer than 25 EPs can no longer report as one entity. Providers in these groups must report as EPs. Otherwise, groups fall into two categories of size and reporting requirements (table 3). Do note that groups can also earn both the incentive and penalty. Unlike individual EPs, a group practice does not have different reporting criteria for the initial 6-month period.

Exemptions

Some professionals and group practices will be exempt from the eRx incentive program. Certain providers will be automatically excluded; others will have to claim an exemption through CMS's Web-based tool or through a G code reported via claims (Table 4). Applying via the Web-based tool will require a justification statement. Providers can be eligible for multiple exemptions. EPs who qualify for two or more exemptions should indicate as much through the justification statement, as it will be impossible to select more

Table 1. Denominator Codes Required for Reporting With the G8553 Numerator Code

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

than one exemption through the Web-based tool. Regardless, CMS will individually review each request. All decisions will be final, and there will not be an appeal process.

Note that CMS removed an exemption category from last year. Previously, CMS excused professionals who were participating in the Medicare EHR incentive program (“meaningful use”) from the e-Rx program. This is no longer the case in 2012. EPs who are participating in the EHR program must also participate in the eRx program to avoid the penalty. However, EPs cannot earn incentives from both programs; the EHR incentive supersedes the eRx incentive.

Table 2. Reporting Scenarios for Individual EPs

Reporting Type	January 1-June 30, 2012	July 1-December 31, 2012	Impact on Reimbursement
Claims based	EP has an eRx system and reports G8553 at least 10 times	EP reports G8553 at least 15 more times (total of 25 for the year)	+1% on 2012 claims No penalties in 2013
EHR or registry based	EP has an eRx system and reports G8553 at least 10 times	EP reports G8553 at least 15 more times (total of 25 for the year)	+1% on 2012 claims –1.5% on 2013 claims
Claims, EHR, or registry based	EP does not have an eRx system, does not report G8553	EP adopts an eRx system and reports G8553 at least 25 times	+1% on 2012 claims –1.5% on 2013 claims
Claims, EHR, or registry based	EP has had an eRx system and earned the 2011 incentive, does not report G8553 a total of 10 times	EP reports G8553 at least 25 times throughout the year	+1% on 2012 claims No penalties in 2013
Does not participate	EP does not have an eRx system	EP does not have an eRx system	No incentive in 2012 –1.5% on 2013 claims

Abbreviations: EHR, electronic health record; EP, eligible professional; eRx, electronic prescribing.

Table 3. Reporting Criteria for a Group Practice

No. of EPs	January 1-June 30, 2012	July 1-December 31, 2012	Impact on Reimbursement
25-99	Group has an eRx system and reports G8553 at least 625 times	Does nothing else	+1% on 2012 claims No penalties in 2013
≥100	Group has an eRx system and reports G8553 at least 2,500 times	Does nothing else	+1% on 2012 claims No penalties in 2013
25-99	Group does not report G8553 at least 625 times	Group has an eRx system and reports G8553 a total of 625 times	+1% on 2012 claims –1.5% on 2013 claims
≥100	Group does not report G8553 at least 2,500 times	Group has an eRx system and reports G8553 a total of 2,500 times	+1% on 2012 claims –1.5% on 2013 claims

Abbreviation: EP, eligible professional; eRx, electronic prescribing.

Table 4. List of Possible Exemptions

Exemption	Reporting Mechanism	Reporting Period
Less than 10% total Medicare of an EP's Part B charges come from the CMS-defined set of 56 denominator codes from January 1-June 30, 2012	CMS will automatically exclude EPs by looking at claims data after both the 6- and 12-month reporting periods	N/A
Has fewer than 100 cases that contain one of the denominator codes from January 1-June 30, 2012	CMS will automatically exclude EPs	N/A
Does not have prescribing privileges	Report G8644 on a claim	By June 30, 2012
Does not have the ability to electronically prescribe because of local, state, or federal law (eg, narcotics)	Report via CMS's Web-based tool	By June 30, 2012
Prescribes fewer than 100 prescriptions during the 6-month penalty reporting period (eg, an NP who may write prescriptions under another identifier)	Report via CMS's Web-based tool	By June 30, 2012
Practices in a rural area with limited high-speed Internet access	Report G9642 on a claim or via the Web-based tool	By June 30, 2012
Practices in an area with limited available pharmacies for electronic prescribing	Report G8643 on a claim or via the Web-based tool	By June 30, 2012

NOTE. The Web-based tool is available at https://www.qualitynet.org/portal/server.pt/community/communications_support_system/234. Abbreviations: CMS, Centers for Medicare & Medicaid Services; EP, eligible professional; N/A, not applicable; NP, nurse practitioner.

Additional Resources

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

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Accepted for publication on January 17, 2012.

Author's Disclosures of Potential Conflicts of Interest

The author(s) indicated no potential conflicts of interest.

DOI: 10.1200/JOP.2012.000545

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