

Technology & Information

A Report from the CMS National E-Prescribing Conference

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On October 6 and 7, 2008, the Centers for Medicare & Medicaid (CMS) sponsored a national E-prescribing conference to educate stakeholders about the new E-prescribing initiative included in the Medicare Improvements for Patients and Providers Act of 2008 (MIPPA).

The goals of the conference were to:

- Equip health care professionals with the knowledge and tools to integrate E-prescribing into their businesses and business models
- Generate discussion about using E-prescribing and other E-health initiatives to increase patient compliance, improve overall health outcomes, and decrease adverse events
- Educate health care professionals about the structure and the Agency's plans for implementation of the incentive payment system for E-prescribing and the Physician Quality

CMS Announces Update to PQRI Web Site

Information about CMS's new E-prescribing Incentive Program has been added to the CMS PQRI Web site at www.cms.hhs.gov/pqri/03_EPrescribingIncentiveProgram.asp#TopofPage.

Included in the Downloads section is an introductory fact sheet that describes the Medicare Improvements for Patients and Providers Act of 2008 (MIPPA), which authorized this new program. Information about how to qualify is also posted.

Visit the site often because new information is posted on a continuing basis.

Reporting Initiative (PQRI)

- Identify and promote opportunities to overcome barriers to adopting this new technology
- Address constituent concerns about privacy, security, and risk management for this new provision

Physicians

CMS is providing an incentive program beginning January 1, 2009, for physicians who E-prescribe (see "CMS Announces Update to PQRI Web Site"). This incentive will be equal to 2% of a physician's estimated total allowable Medicare Part B charges for the 2009 reporting period. The incentive will be paid in 2010 for 2009 reporting. To be eligible for the program, physicians must meet the following requirements:

- Treat and bill Medicare Part B patients. This incentive program is not applicable to Medicare Advantage patients and does not require the patient to be in a Part D plan.
- Use an E-prescribing system that meets the following functionality requirements:
 - Generates a medication list
 - Selects medications, transmits prescriptions electronically, and conducts safety checks (automated prompts that offer information on the drug being prescribed, potential inappropriate dose or route of administration of the drug, drug-drug interactions, allergy concerns, and warning or cautions)
 - Provides information on lower cost alternatives
 - Provides information on formulary or tiered formulary medications, patient eligibility, and authorization requirements received electronically from the patient's drug plan
 - To the extent possible, an E-prescribing system should meet 2009 Medicare Part D standards, which go into effect on April 1, 2009. A list of qualifying vendors is available on the Surescripts-RxHub Web site at: <http://www.surescripts.com/get-connected.aspx?ptype=physician>.
(DrFirst meets both the eRx standard and the Medicare Part D standard.)
- Submit at least 50% of Medicare encounters (superbills) with one of the following G-codes (measured from January 1 to December 31,

2009). At least 10% of the physician's billings for Medicare Part B must be comprised of the denominator codes contained in the measure.

- G8443: indicating that the physician used an eligible E-prescribing system for prescriptions during the encounter
- G8445: indicating that the physician has an eligible E-prescribing system, but no prescriptions were necessary as part of the encounter
- G8446: indicating that the physician has an eligible E-prescribing system, but either the patient requested a paper script, or state or federal rules prohibited sending the prescriptions electronically

Estimates from Allscripts show that if a physician who sees 24 patients a day has a 33% Medicare Part B-patient population, that physician could expect to receive about \$3400 at the end of the year if he or she meets the standards outlined above.

Future Plans for This Program

This 2% incentive payment will also be available for 2010. For 2011 and 2012, the incentive will drop to 1% and in 2013, to 0.5%. Conversely, a 1% payment reduction differential will apply to eligible professionals in 2012 based on failure to adopt and use E-prescribing. The payment differential will be a penalty of 1% of allowed Medicare Part B charges. The payment differential reduction will apply prospectively; affected physicians and other professionals will have to electronically prescribe by a date yet to be determined to ensure that they are not subject to the fee differential reduction in 2012. There will be a hardship exception. In 2013 this penalty increases to 1.5% of covered Medicare Part B services. In 2014 and beyond, the penalty will increase to 2%.

Medicare will require the population of a field called "NCPDP Prescription Origin Code" on drug claims starting in 2010. This field will be populated by the pharmacy where a prescription is filled and will indicate whether it was a paper or electronic prescrip-

tion. This provides a potential alternative to Medicare to measure E-prescribing use and to administer the E-prescribing incentives and disincentives.

Health Plans with Medicare Part D Plans (PDPs)

Medicare has been actively establishing standardized formats for E-prescribing. Medicare Part D sponsors are required to use these formats when supporting E-prescribing:

- The Medicare Modernization Act requires that Part D sponsors establish E-prescription drug programs and that the programs provide for electronic transmittal of prescription and prescription-related information to prescriber and dispenser in accordance with final standards. Starting April 1, 2009, a PDP must ensure that pharmacy contracts require pharmacy compliance with Part D standards when conducting E-prescribing between the pharmacy and the Part D sponsor and the pharmacy and prescriber.
- The PDP must provide formulary and benefits information and medication history to prescribers (if requested) in Medicare Standard format. It must also ensure that pharmacies contracted to provide medications to Part D members must provide fill status to prescribers and national provider identifiers (NPIs) to pharmacy benefit managers (PBMs) in the Medicare Standard format. These points must be expressly indicated in PBM contracts.

E-prescribing participation is still voluntary for pharmacies, but if they participate, they must utilize the Part D standard transactions.

CMS states, "Pharmacy E-prescribing costs for Part D drugs for Part D-eligible individuals are legitimate Part D overhead costs; therefore, pharmacy E-prescribing costs should be factored into dispensing fees. Differential dispensing (or incentive) fees for E-prescriptions could further align incentives."

Future Expectations

Beginning in 2010, a PDP will also be required to submit a pharmacy drug event (PDE) record for every adjudicated Part D claim. This record must include the individual prescriber's NPI and NCPDP Prescription Origin Code. These fields will be available for future administration of the MIPPA incentive. **MPM**

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