



RIVERSIDE COUNTY MEDICAL ASSOCIATION

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Guidance for RCMA Members to Obtain an Exemption from the 2012 Medicare E-Prescribing Penalty, and Other Options to Minimize the Penalty

Starting in 2012, the Centers for Medicare & Medicaid Services (CMS) will impose a penalty of one percent on all Medicare Part B claims submitted by providers (including physicians) who did not meet Medicare's electronic prescribing reporting requirements in 2011. The penalty will be imposed on physicians who did not report generating at least 10 electronic prescriptions during eligible patient encounters (see below) between January 1 and June 30, 2011. To avoid the penalty, physicians were required to report e-prescribing activity via claims using code G8553 along with the eligible encounter code. Only physicians who reported at least 10 electronic prescriptions via claims submitted in combination with an eligible encounter code will be considered successful reporters for purposes of avoiding the penalty in 2012.

For physicians who did not report successfully, automatic exemptions may apply for physicians with: a) fewer than 100 eligible Medicare patient encounters between January 1 and June 30, 2011; and, b) less than 10% of total allowed Part B charges consisting of reimbursement from these eligible encounters. Medicare will automatically determine whether you qualify for one of these exemptions based on your Medicare claims between January 1 and June 30, 2011; no action is required from the physician.

For physicians who did not report successfully and do not qualify for an automatic exemption, CMS has recently announced additional exemption categories that you may be able to claim to avoid the penalty in 2012. The remainder of this article explains whether and how a physician may claim an exemption, and remaining options available for physician who are unable to claim an exemption.

Do I need to claim an exemption?

If you believe you will be subjected to the 2012 penalty, you are strongly encouraged to apply for an exemption if one applies to you. To determine if you will receive the penalty, review your Medicare claims with dates of service between January 1 and June 30, 2011. If at least 100 claims were submitted with any combination of the following CPT codes and you were NOT reporting e-prescribing activity via claims during that time period, then you should expect to receive the penalty: 90801, 02, 90804-09, 90862, 92002, 92004, 92012, 92014, 96150-52, 99201-05, 99211-15, 99304-10, 99315-16, 99324-28, 99334-37, 99341-45, 99347-50, G0101, G0108, G0109.

Am I eligible to claim an exemption?

The following table summarizes the six exemption categories that a physician may claim to avoid Medicare's 1% electronic prescribing penalty in 2012. For each category, sample language is provided that can be written into the online application to provide a reason for the request:

Exemption Category	Eligibility Considerations	Sample “Justification for Hardship” Language
I registered to participate in the Medicare or Medicaid electronic health record incentive (EHR) program and have adopted certified EHR technology	To claim this exemption category, the physician must be enrolled in the Medicare or Medicaid electronic health record incentive (EHR) program on or before November 1 st , 2011. Because e-prescribing is also a required component of this program, enrollment has been deemed an indication of satisfactory electronic prescribing to avoid the penalty. The physician must provide their Registration ID Number and the ONC Certification Number when applying for this exemption category.	“I am enrolled in the Medicare/Medicaid electronic health record incentive (EHR) program, as confirmed by the registration ID and ONC certification numbers provided above.”
I have an inability to electronically prescribe due to local, State or Federal law or regulation	This exemption should be claimed by physicians who issued more than 10 prescriptions during eligible encounters between January 1 and June 30, but who were unable to utilize an e-prescribing system due to legal restrictions, such as limitations on e-prescribing controlled substances. Physicians should be prepared to demonstrate (in the event of an audit) that fewer than 10 prescriptions for non-controlled substances were issued during eligible encounters between January 1 and June 30.	“I issued fewer than 10 prescriptions for non-controlled substances during eligible encounters between January 1 and June 30, 2011. The remaining prescriptions I issued during this time period were for controlled substances, which I am unable to electronically prescribe.”
I have limited prescribing activity	This exemption should be claimed by physicians who issued fewer than 10 prescriptions during eligible encounters between January 1 and June. Physicians should be prepared to demonstrate (in the event of an audit) fewer than 10 prescriptions during eligible encounters between January 1 and June 30.	“I issued fewer than 10 prescriptions during eligible encounters between January 1 and June 30, 2011.”

I have had insufficient opportunities to report the electronic prescribing measure	This exemption should be claimed by physicians who were unable to meet the reporting requirements due to limitations in the program's design that are not referenced above. This may include electronically prescribing during global periods during which no claim is submitted for payment; transmitting prescriptions via doctors orders in nursing homes that do not electronically prescribe; or other limitations that are outside of the physicians discretion.	"I was unable to meet the reporting requirements due to limitations of the reporting program's design. For example, <i>(insert your own justification here)</i> a large number of the electronic prescriptions I generate are during global periods during which no claim is submitted to Medicare..."
Physician's practice is located in a rural area without high speed internet access		
Physician's practice is located in an area without sufficient available pharmacies for electronic prescribing		

Step-by-step instructions for applying for an exemption are provided below.

If I do NOT qualify for an exemption, what are my options to minimize the penalty?

If you anticipate being penalized in 2012, and you do not anticipate qualifying for one of the exemption categories, you may still be able to minimize the penalty in 2012 by trying to qualify for the e-prescribing incentive bonus for 2011. To qualify for the bonus equal to 1 % of total allowed charges in 2011, simply report at least 25 e-prescriptions to Medicare in combination with an eligible patient encounter between now and December 31, 2011. If you have already started claims-based reporting, it is probably simplest to continue claims-based reporting until at least 25 encounters are reported. Physicians may also choose to report via a qualified registry or EHR system for purposes of obtaining the bonus (although only claims-based reporting was acceptable to avoid the penalty). Registry-based reporting allows physicians to report electronic prescribing activity for eligible encounters that have already been billed, including e-prescribing that occurred between January 1st and June 30th. Successful e-prescribers will receive a bonus payment equal to 1% of total allowed Medicare charges for 2011, paid in lump sum at some point in 2012. While this may not offset the 1% penalty completely (since the 1% penalty is applied to 2012 dates of service on a per claim basis), the total amounts should be similar if your total allowed Medicare charges remain similar from year-to-year. Incentives remain 1% in 2012,

then decline to 0.5% in 2013 and 0% in 2014 and beyond. There are no sign-up requirements to qualify for the incentive.

How do I apply for an exemption if one applies?

Individual physicians must apply for an exemption from the 2012 e-prescribing penalty via an online web-portal; requests from individual physicians will not be accepted via mail, e-mail or fax. Follow these directions to complete an individual online application for an exemption. Group practices already participating in the 2011 e-prescribing group practice reporting option must submit an exemption request via mailed letter (group exemptions cannot be submitted online or via e-mail).

Step One: Go to <http://www.cms.gov/erxincentive>

The screenshot shows a Mozilla Firefox browser window displaying the CMS website. The address bar contains the URL <http://www.cms.gov/ERxIncentive/>. A red box with an arrow points to this URL, containing the text: "1. Enter in the web address 'http://www.cms.gov/ERxIncentive/'". The website header includes the CMS logo and navigation links such as Home, Medicare, Medicaid, CHIP, About CMS, Regulations & Guidance, Research, Statistics, Data & Systems, Outreach & Education, and Tools. The main content area is titled "E-Prescribing Incentive Program Overview" and features a "Spotlight" link. A red box with an arrow points to the "Payment Adjustment Information" link in the left sidebar, containing the text: "2. Click on the link 'Payment Adjustment Information'".

Step Two: When the new “Payment Adjustment Information” page opens, scroll to the bottom and click the link “Communications Support Page”:

The Communication Support Page is available through Qualitynet (www.qualitynet.org). A User Manual has been developed to provide step by step instructions on how to navigate through the Communication Support Page. To view this guide click on the link titled "Communication Support Page User Manual" in the "Related Links Outside CMS" section below.

2011 Electronic Prescribing (eRx) Incentive Program Update – Future Payment Adjustments

This MLN Matters Article provides an overview of future payment adjustments. Beginning in 2011, eligible professionals who are not successful electronic prescribers may be subject to a payment adjustment on their future Medicare Part B Physician Fee Schedule (PFS) covered professional services. The article is available under the "Related Links Inside CMS" section below.

Downloads

[2012 eRx Payment Adjustment Feedback Report User Guide \[PDF 3MB\]](#) 

[2011 eRx Incentive Program Update for 2012 Payment Adjustment \[PDF 21KB\]](#) 

Related Links Inside CMS

[MLN Matters Article SE1107 \[PDF 94KB\]](#) 

Related Links Outside CMS

[Communication Support Page](#) 

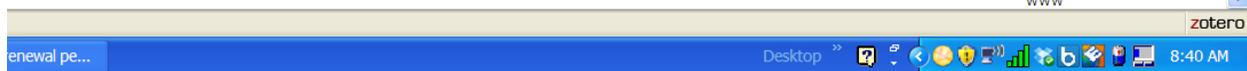
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Centers for Medicare & Medicaid Services, 7500 Security Boulevard Baltimore, MD 21244



Step Three: When the “Communications Support Page” application opens, complete all of the required fields according to the instructions below and then click “Submit”.

U.S. Department of Health & Human Services
CMS Centers for Medicare & Medicaid Services

Communication Support Page

5. Enter your own name (not your practice name).

User Information
 Legal Business Name (as enrolled in PECOS)*: Jane Q. Public, M.D.
 TIN (Last 4 digits)*: 1234
 Email*: jqp@email.com

6. Enter the last four of your practice TIN or EIN (if no TIN/EIN, then last four of your SSN)

7. Enter your personal NPI number (not your practice NPI)

NPI*: 1234567890
 Confirm Email*: jqp@email.com

Contact Information (Requestor)
 First Name*: Jane M.I.: Q
 Address 1*: 1234 Street St
 City*: City
 Phone*: 5101112222
 Ext:
 Last Name*: Public
 Address 2:
 State*: California
 Zip Code*: 98765-4321
 Requestor Relationship*: Health Care Provider

8. Nine digit zip code required. Look up your nine digit zipcode at www.usps.com

9. It is recommended that you request the "eRx Payment Adjustment Feedback Report". You may also request other reports.

Request NPI Level Feedback Report
 Program Year: 2011 PQRS Feedback Report eRx Feedback Report eRx Payment Adjustment Feedback Report

Request Hardship Exemption (Select one **AND** complete Justification for Hardship Exemption)

- I registered to participate in the Medicare or Medicaid EHR Incentive Programs for 2011 and have adopted Certified EHR technology
 Registration ID # _____ ONC Certification # _____
- I have an inability to electronically prescribe due to local, State, or Federal law or regulation
- I have limited prescribing activity
- I had insufficient opportunities to report the electronic prescribing measure
- I practice in a rural area without sufficient high speed internet access
- I practice in an area without sufficient available pharmacies for electronic prescribing

10. See above for guidance in determining which hardship exemption category best applies to you. Those claiming the EHR exemption will need their registration ID and ONC certification numbers.

Justification for Hardship Exemption (required if submitting a hardship exemption):
 Maximum of 250 words or 1,000 characters
 See sample language to insert here.

11. Describe why you are eligible to claim the hardship exemption category you are requesting. See sample language above.

User Agreement
 "I do hereby attest that this information is true, accurate, and complete to the best of my knowledge. I understand that any falsification, omission, or concealment of any material fact may subj:
 I accept User Agreement*
 Submit Reset

Final step: Be sure to check the box and click submit.

Questions?

If you have any questions, please contact the RCMA at 951-686-3342 with any questions or if you need assistance applying for e-prescribing exemption.