

2012 Electronic Prescribing (eRx) Payment Reductions

If you are a victim, click [here](#) for letter template.

Section 132 of the Medicare Improvements for Patients and Providers Act of 2008 (P.L.110-275) (MIPPA) requires the Centers for Medicare & Medicaid Services (CMS) to subject eligible professionals who are not successful electronic prescribers under the 2011 eRx Incentive Program to a payment reduction in 2012.

All eligible professionals had the opportunity to avoid the 2012 eRx payment reduction by meeting the criteria for becoming a successful electronic prescriber for purposes of the 2012 eRx payment reduction.

To avoid the 2012 eRx payment reduction, an eligible professional had to submit valid 2011 eRx G-codes (also known as quality-data codes or QDCs) for Medicare Part B PFS services via a CMS-1500 type claim form. Valid 2011 eRx QDCs/G-codes indicated that the eligible professional submitted a valid electronic prescription, met criteria for a hardship exemption, or did not have prescribing privileges during the 6-month reporting period (January 1–June 30, 2011) that were processed into the National Claims History (NCH) file by July 29, 2011

The eRx payment reduction (applied for **not** being a successful electronic prescriber) will result in an individual eligible professional, or group practices participating in eRx GPRO, receiving 99% of his or her Medicare Part B PFS amount that would otherwise apply to such services (or 1.0% less reimbursement) for all charges with a date of service from January 1–December 31, 2012.

- Providers receiving the 2012 eRx payment reduction will see the indicator “LE” on their Remittance Advice for all Medicare Part B services rendered from January 1–December 31, 2012. The affected remittance advice will also contain the following Claim Adjustment Reason Code (CARC) and Remittance Advice Remark Code (RARC):
 - CARC 237 – Legislated/Regulatory Penalty. At least one Remark Code must be provided (may be comprised of either the NCPDP Reject Reason Code, or Remittance Advice Remark Code that is not an ALERT).
 - RARC N545 – Payment reduced based on status as an unsuccessful eprescriber per the Electronic Prescribing (eRx) Incentive Program.

To correctly record and track the receipt of eRx payment reductions via ERA, identified by CARC 237 and RARC N545, we recommend the setup of ERA Messages.

(MEDDATA clients do not need to setup as this has already been completed.)

To setup the new ERA Messages in your practice:

From Master Menu:

2 – Setup & Support

17 – Elec Remittance Messages

F6 Add

Complete fields as displayed.

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Mode: DISPLAY          ERA MESSAGES MASTER          SL Date: 01/30/12
                                                            Time: 13:12:52

Record Status -----> _
Message Type -----> **
Message Code -----> 237

Description -----> $ _____ NON ERX PENALTY

Discrepancy Flag -----> N (Valid Options are P, E, A, Y, Z, N, and C)
Discrepancy Message ----> LEGISLATED/REGULATORY PENALTY ASSOCIATED
                            WITH NO ERX WILL HAVE ASSOCIATED REMARK_
                            -----> Y
                            -----> Z2237 $          ERX REDUC/
                            -----> _____
    
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Mode: DISPLAY          ERA MESSAGES MASTER          SL Date: 01/25/12
                                                            Time: 13:04:16

Record Status -----> _
Message Type -----> **
Message Code -----> N545

Description -----> PYT_REDUCED_UNSUCCESSFUL_ERX__

Discrepancy Flag -----> N (Valid Options are P, E, A, Y, Z, N, and C)
Discrepancy Message ----> PYT_REDUCED_BASED_ON_STATUS_AS_AN_UNSUCC
                            ESSFUL_ERX_PER_THE_ELEC_ERX_INCENTIVE__

Attach Comment (Y/N) ---> Y
Comment Code 1 -----> ZN545 PYT REDUCED UNSUCC ERX
Comment Code 2 -----> _____

F3=Exit  F12=Prior Screen          DE245-01
    
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If your provider has received this reduction in payment, and feels he/she met the required 10 eRX and/or filed for an exemption with QualityNet please do the following:

File a complaint with CMS via QualityNet Help Desk at 1-866-288-8912 or qnetsupport@sdps.org.

Use the affected letter template to voice your concerns of this unjust mandate and unfair rights to appeal.

Excerpt from:

https://www.cms.gov/ERxIncentive/Downloads/QRGuide_Understanding_2012eRxPayAdj_F01-09-2012_508.pdf

Dear *Congressman*, (insert name)

Beginning 2012, Section 132 of the Medicare Improvements for Patients and Providers Act of 2008 (P.L.110-275) (MIPPA) requires CMS to subject eligible professionals who are not successful electronic prescribers under the eRX Incentive Program to a payment reduction. This payment reduction applies to all of the eligible professional's Part B-covered professional services under the Medicare Physician Fee Schedule (MPFS). From 2012 through 2014, the payment reduction will increase with each new reporting period. Accordingly, for 2012, eligible professionals receiving a payment reduction will be paid 1.0% less than the MPFS amount for that service. In 2013 and 2014, the payment reduction increases to 1.5% and 2.0% respectively.

Simply put if a Health Care provider did not use electronic prescribing to pharmacies, all of the services he provides to Medicare patients even those patient's not having nor requiring prescriptions will be paid at a 1% reduction to their already challenged 2012 Fee schedule. Additionally the reduction grows as a provider does not use eRX. In most industries this type mandate would be considered coercion or some antitrust pharmacy scheme.

As a professional, I must voice my dissatisfaction with the recent findings regarding this payment reduction. Eligible professionals may be exempt from the application of the payment reduction if CMS determines that compliance with the requirement for being a successful electronic prescriber would result in a significant hardship. This hardship exception is subject to annual renewal, and is reportable via the QualityNet web portal, https://www.qualitynet.org/portal/server.pt/community/communications_support_system/234.

Several physician and non-physician providers (i.e. eligible professionals) have started experiencing the 1% payment reduction even though it was confirmed via the QualityNet Help Desk, qnetsupport@sdps.org / 866-288-8912, that indeed their hardship exemption was successfully filed on time via the QualityNet web portal. The QualityNet Help Desk has informed that there currently is no recourse for appeal, and there is no timetable as to when and if CMS will implement such an appeal process. Therefore, medical providers and billing agents alike have no means of correcting CMS's mistake and possibly recouping the 1% payment reduction.

This has been an extreme frustration and travesty for the hardworking medical providers that make every attempt to follow all the regulations of the federal government, and CMS needs to resolve their issues as well as implement a means of recourse and appeal.

We would greatly appreciate your assistance in *stopping* this 1% penalty/reduction until CMS is capable of confirming if a provider has a successful hardship exemption, and therefore exempt from the penalty/reduction and/or implementing an appeal process.

Sincerely,

MEDTRON recommends that you print the [letter template](#) (click [link](#)) on your office letterhead and send to your Congressman and Senators.

State of Louisiana contact information is available via <http://www.legis.state.la.us/>.

State of Mississippi contact information is available via <http://billstatus.ls.state.ms.us/>.

State of Tennessee contact information is available via <http://www.legislature.state.tn.us/>.

Contact Software Support for assistance or any questions via:

From MEDTRON Sign On screen, double click on 'support@medtronsoftware.com' to compose an email to the Software Support Dept.

-OR-

Phone: (985) 234-0599 (local)
(800) 978-0599 (toll free)

-OR-

Fax: (985) 234-0609