

CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-20 One-Time Notification	Centers for Medicare & Medicaid Services (CMS)
Transmittal 1384	Date: May 16, 2014
	Change Request 8667

SUBJECT: Posting the Limiting Charge after Applying the Electronic Health Record (EHR) and Physician Quality Reporting System (PQRS) Negative Adjustments

I. SUMMARY OF CHANGES: The purpose of this CR is to place the EHR and PQRS Negative Adjustment Limiting Charge amounts on contractor web sites and hard copy disclosure reports.

EFFECTIVE DATE: January 1, 2015

**Unless otherwise specified, the effective date is the date of service.*

IMPLEMENTATION DATE: October 6, 2014

Disclaimer for manual changes only: The revision date and transmittal number apply only to red italicized material. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.

II. CHANGES IN MANUAL INSTRUCTIONS: (N/A if manual is not updated)

R=REVISED, N=NEW, D=DELETED-Only One Per Row.

R/N/D	CHAPTER / SECTION / SUBSECTION / TITLE
N/A	N/A

III. FUNDING:

For Medicare Administrative Contractors (MACs):

The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC statement of Work. The contractor is not obliged to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

IV. ATTACHMENTS:

One Time Notification

Attachment - One-Time Notification

Pub. 100-20	Transmittal: 1384	Date: May 16, 2014	Change Request: 8667
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SUBJECT: Posting the Limiting Charge after Applying the Electronic Health Record (EHR) and Physician Quality Reporting System (PQRS) Negative Adjustments

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I. GENERAL INFORMATION

A. Background: EHR:

Beginning January 1, 2015, Section 1848(a)(7) of the Social Security Act as amended by Section 4101(b) of the HITECH Act, requires that eligible professional (EPs) that are not meaningful EHR users are subject to the EHR negative adjustment.

Specifically, section 1848(a)(7) of the Act states that:

“If the eligible professional is not a meaningful EHR user (as determined under subsection (o)(2)) for an EHR reporting period for the year, the fee schedule amount for such services furnished by such professional during the year (including the fee schedule amount for purposes of determining a payment based on such amount) shall be equal to the applicable percent of the fee schedule amount that would otherwise apply to such services under this subsection (determined after application of paragraph (3) but without regard to this paragraph).”

PQRS:

Beginning on January 1, 2015, Section 1848(a)(8) of the Social Security Act, as added by section 3002(b) of the Affordable Care Act, requires that EPs who do not satisfactorily report data on quality measures for covered professional services for the quality reporting period of the year are subject to the PQRS negative adjustment.

Specifically, section 1848(a)(8) of the Act states that:

“If the eligible professional does not satisfactorily submit data on quality measures for covered professional services for the quality reporting period for the year (as determined under subsection (m)(3)(A)), the fee schedule amount for such services furnished by such professional during the year (including the fee schedule amount for purposes of determining a payment based on such amount) shall be equal to the applicable percent of the fee schedule amount that would otherwise apply to such services under this subsection (determined after application of paragraphs (3), (5), and (7), but without regard to this paragraph).

The negative payment adjustment applies to all EPs, regardless of whether the EP elects to be “participating” or “non-participating” for purposes of Medicare payments.

B. Policy: Non-participating EPs in the Medicare program may choose either to accept or not accept assignment on Medicare claims on a claim-by-claim basis. If EPs choose not to accept assignment, they may not charge the beneficiary more than the Medicare limiting charge for unassigned claims for Medicare services. The limiting charge is 115 percent of the MPFS amount. The beneficiary is not responsible for billed amounts in excess of the limiting charge for a covered service.

Non-participating EPs that do not accept assignment on a claim may choose to collect the entire limiting charge amount up front from the beneficiary at the time of service.

Submission of a non-par, non-assigned Medicare Physician Fee Schedule (MPFS) service with a charge in excess of the Medicare limiting charge amount constitutes a violation of the limiting charge. A physician or supplier who violates the limiting charge is subject to a civil monetary penalty of not more than \$10,000, an assessment of not more than 3 times the amount claimed for each item or service, and possible exclusion from the Medicare program. Therefore, it is crucial that EPs are provided with the correct limiting charge they may bill for a MPFS service.

The purpose of this CR is to place the EHR and PQRS Negative Adjustment Limiting Charge amount on contractor Web sites and hard copy disclosure reports.

Examples

Non-Par Non-Assigned Claim No EHR/PQRS Adjustment

Original Fee Schedule Amount: \$100

5% non-PAR status: \$5 (100 x .05)

Adjustment Total \$5.00

MPFS Allowed Amount \$100-\$5.00= \$95.00

Limiting Charge Allowed= \$95.00 x 115%= \$109.25

Non-Par Non-Assigned Claim with EHR Adjustment

Original Fee Schedule Amount: \$100

5% non-PAR status: \$5 (100 x .05)

1% EHR negative adjustment \$.95 (95 x .01)

Adjustment Total \$5.95

MPFS Allowed Amount \$100-\$5.95= \$94.05

Limiting Charge Allowed= \$94.05 x 115%= \$108.16

Non-Par Non-Assigned Claim with PQRS Adjustment

Original Fee Schedule Amount: \$100

5% non-PAR status: \$5 (100 x .05)

1.5% PQRS negative adjustment \$1.43 (95 x .015)

Adjustment Total \$ 6.43

MPFS Allowed Amount \$100-\$6.43= \$93.57

Limiting Charge Allowed= \$93.57 x 115%= \$107.61

Non-Par Non-Assigned Claim with EHR + e-prescribing

Original Fee Schedule Amount: \$100

5% non-PAR status: \$5 (100 x .05)

2% EHR negative adjustment \$1.90 (95 x .02)

Adjustment Total \$ 6.90

MPFS Allowed Amount \$100-\$6.90= \$93.10

Limiting Charge Allowed= \$93.10 x 115%= \$107.07

Non-Par Non-Assigned Claim with EHR without 2014 e-Prescribing Adjustment + PQRS

Original Fee Schedule Amount: \$100

5% non-PAR status: \$5 (100 x .05)

1% EHR negative adjustment \$.95 (95 x .01)

EHR Adjustment Total \$5.95

MPFS Allowed Amount \$100-\$5.95= \$94.05

1.5% PQRS negative adjustment \$1.41 (\$94.05 x .015)

PQRS Adjustment Total \$94.05-\$1.41=\$92.64

MPFS Allowed Amount \$92.64

Limiting Charge Allowed= \$92.64 x 115%= \$106.54

Non-Par Non-Assigned Claim with EHR with 2014 e-Prescribing Adjustment + PQRS

Original Fee Schedule Amount: \$100

5% non-PAR status: \$5 (100 x .05)

2% EHR negative adjustment \$1.90 (95 x .02)

EHR Adjustment Total \$6.90

MPFS Allowed Amount \$100-\$6.90= \$93.10

1.5% PQRS negative adjustment \$1.40 (93.10 x .015)

PQRS Adjustment Total \$93.10-\$1.40=\$91.70

MPFS Allowed Amount \$91.70

Limiting Charge Allowed= \$91.70 x 115%= \$105.46

II. BUSINESS REQUIREMENTS TABLE

"Shall" denotes a mandatory requirement, and "should" denotes an optional requirement.

Number	Requirement	Responsibility								
		A/B MAC			D M E M A C	Shared-System Maintainers				Other
		A	B	H H H		F I S S	M C S	V M S	C W F	
8667.1	In accordance with the MPFS update, contractors shall list and display the limiting charge amount after applying the EHR and PQRS negative adjustment on their respective Web sites for EPs to access. NOTE: As CMS implements additional payment adjustments, contractors should be prepared to list and display the correct limiting charge amounts for these adjustments as well.		X				X			
8667.2	MCS shall remove the e-prescribing (eRx) limiting charge column from the hard copy disclosure.						X			
8667.3	MCS shall update the hard copy disclosure report to list and display the limiting charge amount after applying the EHR and PQRS negative adjustments.						X			
8667.3.1	MCS shall include the message below on the hard copy disclosure report to explain the EHR reduced limiting charge. "Limiting Charge reduced based on the EHR Negative adjustment program."						X			
8667.3.1.1	MCS shall include the message below on the hard copy disclosure report to explain the PQRS reduced limiting charge. "Limiting Charge reduced based on the PQRS Negative Adjustment Program."						X			
8667.3.1.1.1	MCS shall include the message below on the hard copy disclosure report to explain the combination of the EHR and PQRS reduced limiting charge. "Limiting Charge reduced for EPs that are subject to both EHR and PQRS Negative adjustment program."						X			

Number	Requirement	Responsibility								Other
		A/B MAC			D M E M A C	Shared-System Maintainers				
		A	B	H H H		F I S S	M C S	V M S	C W F	
8667.4	Contractors shall display five new columns named: <ul style="list-style-type: none"> EHR Limiting Charge PQRS Limiting Charge EHR/ 2014 eRx-Limiting Charge EHR + PQRS Limiting Charge EHR/ 2014 eRx + PQRS Limiting Charge 		X				X			
8667.5	Contractors shall list and display the named columns in BR 8667.4 each time a new physician fee schedule is posted, except when these adjustments are no longer in effect.		X				X			
8667.6	Contractors shall add the following to the format listed in CR 7573.2 to their Web site: <ul style="list-style-type: none"> EHR Limiting Charge PQRS Limiting Charge EHR/ 2014 eRx Limiting Charge EHR + PQRS Limiting Charge EHR/ 2014 eRx + PQRS Limiting Charge 		X				X			
8667.7	Contractors shall educate EPs via their Web site in addition to other provider outreach vehicles that the following limiting charges will be placed on the contractor Web site: <ul style="list-style-type: none"> EHR Limiting Charge PQRS Limiting Charge EHR/ 2014 eRx Limiting Charge EHR + PQRS Limiting Charge 		X							

Number	Requirement	Responsibility								
		A/B MAC			D M E M A C	Shared-System Maintainers				Other
		A	B	H H H		F I S S	M C S	V M S	C W F	
	<ul style="list-style-type: none"> EHR/ 2014 eRx + PQRS Limiting Charge 									
8667.8	<p>Contractors shall inform EPs via their listserv when the following limiting charges are posted to their Web site:</p> <ul style="list-style-type: none"> EHR Limiting Charge PQRS Limiting Charge EHR/ eRx Limiting Charge EHR + PQRS Limiting Charge EHR/ eRx + PQRS Limiting Charge 		X							

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility				
		A/B MAC			D M E M A C	CEDI
		A	B	H H H		
8667.9	<p>MLN Article: A provider education article related to this instruction will be available at http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/ shortly after the CR is released. You will receive notification of the article release via the established "MLN Matters" listserv. Contractors shall post this article, or a direct link to this article, on their Web sites and include information about it in a listserv message within one week of the availability of the provider education article. In addition, the provider education article shall be included in the contractor's next regularly scheduled bulletin. Contractors are free to supplement MLN Matters articles with localized information that would benefit their provider community in billing and administering the Medicare program correctly.</p>		X			

IV. SUPPORTING INFORMATION

Section A: Recommendations and supporting information associated with listed requirements: N/A

"Should" denotes a recommendation.

X-Ref Requirement Number	Recommendations or other supporting information:
N/A	N/A

Section B: All other recommendations and supporting information: N/A

V. CONTACTS

Pre-Implementation Contact(s): April Billingsley, 410-786-0140 or april.billingsley@cms.hhs.gov (Division of Practitioner Claims) , Swapna Gubbala, 410-786-4569 or swapna.gubbala@cms.hhs.gov (EHR Policy) , Timothy Jackson, 410-786-4006 or Timothy.Jackson@cms.hhs.gov (PQRS Policy) , Chanelle Jones, 410-786-9668 or chanelle.jones@cms.hhs.gov (Division of Practitioner Claims)

Post-Implementation Contact(s): Contact your Contracting Officer's Representative (COR).

VI. FUNDING

Section A: For Medicare Administrative Contractors (MACs):

The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

ATTACHMENTS: 0