



Did You Know? Starting January 1, 2009, physicians who prescribe for Medicare patients are eligible for a 2% increase on their Medicare reimbursement payment.

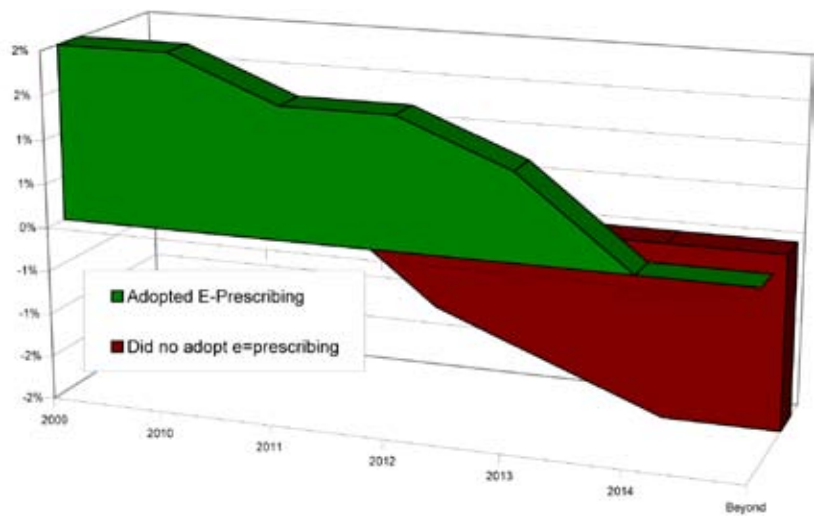
In July 2008, the federal government implemented the Medicare Improvements for Patients and Providers Act (MIPPA) as an initial step towards mandating e-prescribing technology. Early adopters are eligible for incentive payments, and providers who delay utilization of e-prescribing technology will be penalized for non-compliance.

Providers who adopt e-prescribing early are eligible for the following incentives over the next 5 years:

| If e-prescribing for Medicare in this year | Receive this incentive payment |
|--|--------------------------------|
| 2009 | 2.0% |
| 2010 | 2.0% |
| 2011 | 1.5% |
| 2012 | 1.5% |
| 2013 | 1.0% |

Providers who fail to adopt e-prescribing by 2012 will have their Medicare payments reduced as follows:

| If NOT e-prescribing for Medicare in this year | Medicare payments reduced by |
|--|------------------------------|
| 2012 | 1.0% |
| 2013 | 1.5% |
| 2014 | 2.0% |
| Subsequent years | 2.0% |





Does this bill apply to me?

The bill applies to the majority of physicians who see Medicare patients, however, there are three exceptions:

- » Providers who do not submit “a sufficient number of prescriptions under Part D”
 - The minimum quantity of prescriptions is not yet defined, but the HHS Secretary is expected to provide additional guidance this fall (2008).
- » Providers subject to “significant hardship” if required to comply with the law. (Ex. a rural provider who has no access to the Internet.)
 - This exemption is determined by the HHS Secretary on an individual basis, is subject to annual review.
- » If the e-prescribing related charges are very small, incentives do not apply.

How much money can I expect to receive?

This amount varies depending on your annual allowable Medicare billings.

How will compliance be measured?

HHS will provide additional guidance this fall, however, we do have some information regarding how the program will work:

- » The e-prescribing system used by a provider must meet the standards required for Part-D by HHS.
 - Requirements include:
 - ◇ True electronic connectivity (not e-faxing)
 - ◇ Online access to payer information (e.g. RxHub connectivity) for formulary and plan design
 - Rcopia, from DrFirst, meets or exceeds all current standards and will be kept in compliance moving forward as additional standards become mandatory.
- » At least 50% of prescriptions written under Part-D must be written through an eligible e-prescribing system.
 - Submitted prescriptions are expected to comply with “electronic prescribing quality measures” outlined in the HHS Physician Quality Reporting Initiative (PQRI) incentive program.

What if my practice bills Medicare as a group?

The law stipulates that incentives apply against “professional services furnished by the eligible professional (or the group practice...)” We believe that the incentives can be collected by individuals or by group practices which bill together.

How are the incentives calculated?

Until HHS provides further detail this fall, we cannot give an authoritative answer to this question.

Am I eligible for both PQRI and the new e-prescribing incentives?

HHS has stated that the relationship between PQRI and the new incentives remains to be determined, but there is clear intent to provide incentives under both programs. Secretary Leavitt intends to provide additional guidance on this point in the fall of 2008. CMS Acting Administrator Kerry Weems said physicians who adopt e-prescribing technology and participate in the quality reporting program would receive Medicare payments that are 4% higher in 2009 -- a 2% bonus for e-prescribing and a 2% bonus for reporting quality measures.

Can my hospital collect these incentives as a “Place of Service” Type 22?

Peter Askenaz at HHS, has stated that these incentives are intended for providers and provider groups and do not include “place of service 22” hospitals.

Where can I learn more details?

Details of the e-prescribing incentives program will be outlined this fall in Medicare’s final rule on the 2009 physician fee schedule. As previously stated, CMS plans to hold a conference this fall to address issues associated with physicians adopting e-prescribing technology.

In addition, Secretary Leavitt held a conference call regarding this bill. To hear a 30-minute recording of the call, dial 800-839-7073. The call features a short speech by the Secretary, a physician’s discussion of his experiences with e-prescribing, and a Q&A session.

MIPP (Medicare Improvement for Patients and Providers) Act of 2008, H.R. 6331, the text of the bill is available at www.thomas.gov

The bill’s timeline (and summary) is available here: <http://www.govtrack.us/congress/bill.xpd?bill=h110-6331>



Next Steps

- » In order to be prepared to receive incentives beginning January 1, 2009, adopt e-prescribing now so you don't get caught in the last minute rush to implement later this year.
- » Rcpia is used by more physicians nationally than any other standalone e-prescribing system, it is designed to work in settings from solo practitioner to multi-thousand provider integrated health systems. Rcpia complies with all Medicare and Medicaid standards and regulations, is GoldRx certified, and is connected to RxHub-SureScripts.
- » If you are using an EMR and it does not connect real-time to payers (RxHub-SureScripts), or sends prescriptions by e-fax, we recommend using Rcpia with an interface to establish your eligibility until your vendor meets the standards.
- » If you are in the market for an EMR, DrFirst partners with more than 20 EMR vendors, and is also a great stepping stone to a future EMR system. Please contact DrFirst for recommendations regarding EMRs which comply with HHS' directives.

