

Electronic Prescribing Alert

As you may already be aware, Medicare currently has an incentive program in place for physicians who do electronic prescribing (e-prescribing, or eRx), which means transmitting a prescription electronically directly to a pharmacy. Besides earning you some extra money, and saving you some money down the line (see below), e-prescribing has some real advantages in making prescribing more efficient and safer: Calls from pharmacists to clarify prescriptions should be significantly reduced, it's less likely scripts will be filled incorrectly, and you should receive notifications at the point of care of potential problematic interactions with medications prescribed by other physicians.

The denominator codes on which the e-prescribing initiative is based include most of the psychiatry and evaluation and management codes.¹ All you have to do to participate in the incentive program is include the code G8553 when you fill out a claim for a Medicare beneficiary for whom you've e-prescribed when you've used one of the denominator codes. A minimum of 25 claims with the G-code in 2010 will earn you a 2% incentive for 2010, which is based on the value of your *total* Part B claims for the year. In 2011 and 2012 the incentive will be 1%, in 2013 it will be 0.5%, and thereafter there will just be a penalty in place for those who don't e-prescribe. The only exemptions to this penalty are for physicians who live in an area where there is limited internet access or who live in an area where there is no pharmacy that can receive electronic prescriptions. This means that psychiatrists in small practices who are currently exempt from filing electronic claims, and exempt from Health Insurance Portability and Accountability (HIPAA) regulations if they did not do any other electronic patient communications, will soon be obligated to do electronic transactions if they wish to avoid the penalty, and, hence, will be covered by HIPAA regulations.

In fact, if you don't e-prescribe starting in 2012 and in the first six months of 2011 you had at least 100 encounters using any of the designated denominator codes, you will not only not get the 1% incentive, but you will be hit with a 1% penalty on all of your Medicare claims for that year. And it's a little more pressing than that, since currently it is the intention of the Centers for Medicare and Medicaid Services (CMS) to determine whether or not to apply the 1% penalty on whether or not you e-prescribed at least 10 times during the first six months of 2011. (It should be noted here that the APA has joined the AMA in protesting this plan, requesting that, at a minimum, that the penalty be based on claims for the first ten months of 2011 rather than just the first six months.)

E-prescribing can be accomplished either with freestanding software or it can be done using part of an overall electronic health records (EHR) system. An e-prescribing system is cheaper than an EHR system, and because of its more limited functionality is comparatively easier to learn how to use. However, it's important to take into account that as of 2015 there will be a penalty if physicians are not using an EHR system, and there is an incentive program for using EHR if you begin by October 2012 (although

¹ 90801, 90802, 90805-90809, 90862, 99201-99205, 99211-99215, 99304-99310, 99315, 99316, 99324-99328, 99334-99337, 99341-99343, 99345, 99347-99350, G0101, G0108, G0109

another factor to take into account is if you receive the EHR incentive you cannot also receive the eRx incentive).

What to Do?

Unfortunately, there is no simple advice we can offer you on how to proceed in this confusing new world. As things stand now, you can't avoid the 1% penalty if you don't have e-prescribing software system in place well before the end of 2011. But in purchasing this software, you run the risk of wasting money on a system that will become unnecessary when you put an EHR system in place for your practice sometime before 2015. The easy answer might seem to be just to purchase an EHR system now, but that also might not be the most economically sound decision since EHR technology is relatively new and the EHR market is still evolving. It's not unreasonable to think that the cost and sophistication of EHR systems will be moving targets over the next few years.

Physicians who are already using or who are close to adopting electronic prescribing are best positioned to take advantage of the eRx incentive and to avoid the penalties that begin in 2012. Others will need to weigh factors such as the size of their Medicare caseload; immediate or long term plans to adopt an EHR; and the relatively small size of the reimbursement reduction to guide their decision of whether or not to participate at this time.

For More Information

For information on the incentive program from CMS: <http://www.cms.gov/ERXIncentive/>

For information on e-prescribing programs from the AMA: <http://www.ama-assn.org/go/eprescribing>

For information about the software systems available today:
<http://www.surescripts.com/connect-to-surescripts/prescribers-connect.aspx>

Or call the APA's Practice Management Help Line at 800-343-4671.