CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-20 One-Time Notification	Centers for Medicare & Medicaid Services (CMS)
Transmittal 1591	Date: January 8, 2016
	Change Request 9441

SUBJECT: Changes to the Medicare Electronic Health Record (EHR) Incentive Program Payment Adjustment beginning January 1, 2016

I. SUMMARY OF CHANGES: The purpose of this Change Request (CR) is to detail necessary changes in systems and processes affected by the implementation of the second year of the Medicare EHR Incentive Program payment adjustment beginning January 1, 2016 for eligible professionals.

EFFECTIVE DATE: January 1, 2016
*Unless otherwise specified, the effective date is the date of service.
IMPLEMENTATION DATE: January 4, 2016

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	

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 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.

IV. ATTACHMENTS:
One Time Notification

Attachment - One-Time Notification

Pub. 100-20	Transmittal: 1591	Date: January 8, 2016	Change Request: 9441

SUBJECT: Changes to the Medicare Electronic Health Record (EHR) Incentive Program Payment Adjustment beginning January 1, 2016

EFFECTIVE DATE: January 1, 2016
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I.   GENERAL INFORMATION

A.   Background: Beginning January 1, 2015, Section 1848(a)(7) of the Social Security Act as amended by Section 4101(b) of the HITECH Act requires CMS to adjust the Medicare physician fee schedule rates (MPFS) downward for Eligible Professionals (EPs) that are not meaningful EHR users, not determined to be hospital-based or have not been granted a hardship exception.

An EP designated as an unsuccessful meaningful user was subjected to a 1% negative payment adjustment in 2015 which applied to all of the EPs MPFS services. This resulted in the EP receiving 99% of the MPFS amount that would otherwise apply to such services during 2015. The necessary changes in systems to implement the EHR payment adjustment were implemented for the 2015 payment adjustment year.

The purpose of this Change Request (CR) is to detail the new payment adjustment percentage necessary to implement the second year of the Medicare EHR Incentive Program negative payment adjustment beginning January 1, 2016.

B.   Policy: The requirements in this confidential CR reflect the operational changes necessary to implement the 2016 EHR negative payment adjustment.

II.   BUSINESS REQUIREMENTS TABLE

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

Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HHH		FISS	MCS	VMS	CWF	
9441.1	Contractors shall follow the processes outlined in CR 8680 Transmittal 21 that were implemented on January 5, 2015.		X							
9441.2	Beginning on or about November 10, 2015, CMS specialty contractor shall send the single-year Negative Payment Adjustment File of EPs who did not meet the EHR Incentive program satisfactory reporting criteria to the contractors/data centers containing the following information:									CMS, VDCs

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	
	• Contractor Number (NULL) • Rendering NPI • Negative Adjustment Start Date • Negative Adjustment End Date • Decision Date • EHR Adjustment Percentage • Status Indicator • Justification • Rationale **NOTE:** This file will only contain data for one year; this will not be a multi-year file. The file shall be in pipe-delimited format.									
9441.3	The contractor shall receive a pipe delimited formatted file with each version incremented by one.									CMS, VDCs
9441.4	The contractor shall receive the header with the file name and version and a trailer that will include the number of records.									CMS
9441.5	The specialty contractor shall transmit the EHR Negative Payment Adjustment file to the CDS and HP VDC in Extended Binary Coded Decimal Interchange Code (EBCDIC).									CMS, VDCs
9441.6	For claims with dates of service on or after January 1, 2016, contractors shall apply the 2.0% negative payment adjustment to the allowed MPFS charges AFTER the 5% adjustment for non-PAR status. For claims with dates of service between January 1, 2015 and December 31, 2015, see CR 8680.		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	
	Note: This was automated in the MCS system under CR8680; informational only for Part B MACs.									
9441.7	Contractors shall apply the negative payment adjustment to the allowed MPFS charges **AFTER** the 5% adjustment for non-PAR status based on the following hierarchy: 1. Apply the Medicare EHR Incentive Program Payment Adjustment 2. From the reduced allowed amount, apply the PQRS Payment Adjustment 3. From the last reduced allowed amount, apply the Physician Value Based Modifier to the paid amount. Note: This was automated in the MCS system under CR8680; informational only for Part B MACs.		X							
9441.8	The contractor shall apply the EHR negative payment adjustment to the allowed MPFS charge before the beneficiary co-insurance. Note: This was automated in the MCS system under CR8680; informational only for Part B MACs.		X							
9441.9	Beginning on or about January 1, 2016, the CMS specialty contractor shall send a Negative Payment Adjustment Update File up to 5 times per month to the data centers containing the following information: • Contractor Number (NULL) • Rendering NPI • Negative Adjustment Start Date • Negative Adjustment End Date • Decision Date									CMS, VDCs

Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HHH		FISS	MCS	VMS	CWF	
	• EHR Adjustment Percentage • Status Indicator • Justification • Rationale **NOTE:** If there are no updates, an empty file with only a Header and Trailer will be sent. CMS anticipates file transmissions will occur no more than 5 times a month at weekly intervals. However, these files may be transmitted as infrequently as once per month. The Negative Payment Adjustment Update files will be a supplemental file with multiple years.										
9441.10	Contractors shall receive the Negative Payment Adjustment Update File each week.									HIGLAS
9441.11	Contractors shall direct inquiries regarding the EHR negative payment adjustment to the **EHR Help Desk at Phone: 1-888-734-6433**; TTY: 1-888-734-6536; Email: HBOSC_EHRIC@cms.hhs.gov **NOTE: CMS will issue a job aid in the future to provide additional instructions to the customer service representatives.**		X							HIGLAS

III.   PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility		
		A/B MAC	DME	CED

		A	B	H H H	M A C	I
	None					

IV. SUPPORTING INFORMATION

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

"Should" denotes a recommendation.

X-Ref Requirement Number	Recommendations or other supporting information:
8680	CR 8346 - Analysis Change Request for the Implementation of a Medicare EHR Incentive Program Payment Adjustment
8680.16	Demand Letter (attached)

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

V. CONTACTS

Pre-Implementation Contact(s): Tyres Jones, 410-786-0096 or tyres.jones@cms.hhs.gov , elizabeth holland, 410-786-1309 or elizabeth.holland@cms.hhs.gov , Darrick Hunter, 410-786-0240 or darrick.hunter@cms.hhs.gov , Swapna Gubbala, 410-786-4569 or swapna.gubbala@cms.hhs.gov

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

VI. FUNDING

Section A: For Medicare Administrative Contractors (MACs):
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ATTACHMENTS: 0