

CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-22 Medicare Quality Reporting Incentive Programs	Centers for Medicare & Medicaid Services (CMS)
Transmittal 11	Date: March 26, 2013
	Change Request 7727

NOTE: Transmittal 5, dated March 23, 2012, is being rescinded and replaced by Transmittal 11, dated March 26, 2013 to correct an email address typo located in the text of the manual section. All other information remains the same.

SUBJECT: Medicare Quality Reporting Incentive Programs Manual Update

I. SUMMARY OF CHANGES: This change request adds a third chapter to the Medicare Quality Reporting Incentive Programs Manual. Generally, this chapter describes the yearly payment instructions used by the Medicare contractors when making incentive payments described in the Medicare Quality Reporting Incentive Manual, Pub.100-22.

EFFECTIVE DATE: June 25, 2012

IMPLEMENTATION DATE: June 25, 2012

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	3/Table of Contents
N	3/10/ Foreword
N	3/20/Contractor Payment Instructions for the Physician Quality Reporting System (PQRS)
N	3/20.1/ PQRS Remittance Instructions
N	3/20.2/ Contractor Verification and Reporting Instructions for PQRS
N	3/30/Contractor Payment Instructions for the Electronic Prescribing (eRx) Incentive Program
N	3/30.1/ eRx Remittance Instructions
N	3/30.2/ Contractor Verification and Reporting Instructions for eRx
N	3/Exhibit1/ Incentive Payment Results Report
N	3/Exhibit2/PQRS and eRx Incentive Payment File Record Layout

III. FUNDING:

For Fiscal Intermediaries (FIs), Regional Home Health Intermediaries (RHHIs) and/or Carriers:

No additional funding will be provided by CMS; Contractor activities are to be carried out within their operating budgets.

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:

Business Requirements

Manual Instruction

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

Attachment – Business Requirements

Pub. 100-22	Transmittal: 11	Date: March 26, 2013	Change Request: 7727
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NOTE: Transmittal 5, dated March 23, 2012, is being rescinded and replaced by Transmittal 11, dated March 26, 2013 to correct an email address typo located in the text of the manual section. All other information remains the same.

SUBJECT: Medicare Quality Reporting Incentive Programs Manual Update

Effective Date: June 25, 2012

Implementation Date: June 25, 2012

I. GENERAL INFORMATION

A. Background: The 2006 Tax Relief and Health Care Act (TRHCA) (P.L. 109-432) required the establishment of a physician quality reporting system, including an incentive payment for eligible professionals who satisfactorily report data on quality measures for covered professional services furnished to Medicare beneficiaries during the second half of 2007 (the 2007 reporting period). CMS named this program the Physician Quality Reporting Initiative (PQRI). The PQRI was further modified as a result of the Medicare, Medicaid, and SCHIP Extension Act of 2007 (MMSEA) (Pub. L. 110-173), the Medicare Improvements for Patients and Providers Act of 2008 (MIPPA) (Pub. L. 110-275), and the Patient Protection and Affordable Care Act of 2011 (ACA). In 2011, the program name was changed to Physician Quality Reporting System (Physician Quality Reporting). All publicly available information on the PQRS Incentive Program can be found on the CMS website at: <https://www.cms.gov/PQRS>.

Section 132 of the MIPPA authorized a new and separate incentive program for eligible professionals (EPs) who are successful e-prescribers, the E-Prescribing (eRx) Incentive program, as defined by the Medicare Improvements for Patients and Providers Act (P.L. 110-275) (MIPPA). While this program has similarities to the Physician Quality Reporting System (PQRS) incentive payment program, it is a stand-alone program with distinct reporting requirements and a separate incentive payment. All publicly available information on the eRx Incentive Program can be found on the CMS website at: <http://www.cms.hhs.gov/eRxIncentive>.

This CR manualizes the information contained in existing CRs and MPFS legislation. This CR does not establish new requirements for the PQRS and eRx programs. It manualizes existing requirements to the programs. Changes to the programs are described in the annual MPFS legislation.

B. Policy: This change request adds a third chapter to the Medicare Quality Reporting Incentive Programs Manual. Generally, this chapter describes the yearly payment instructions used by the Medicare contractors when making incentive payments described in this manual (the Medicare Quality Reporting Incentives Manual, Internet Only Manual Publication 100-22).

II. BUSINESS REQUIREMENTS TABLE

Use "Shall" to denote a mandatory requirement

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B	D M E	F I	C A R R I E R	R H R I	Shared-System Maintainers				OTH ER
		M A C	M A C				F I S S	M C S	V M S	C W F	
7727.1	Contractors shall be aware of chapter three (3) in 100-22 that manualizes the PQRS and eRx Incentive program requirements.	X			X						

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B	D M E	F I	C A R R I E R	R H R I	Shared-System Maintainers				OTH ER
		M A C	M A C				F I S S	M C S	V M S	C W F	
7727.2	A provider education article related to this instruction will be available at http://www.cms.hhs.gov/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 site 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 your 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	X			X						

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B	D M E	F I	C A R R I E R	R H I	Shared-System Maintainers				OTH ER
							F I S S	M C S	V M S	C W F	
	the Medicare program correctly.										

IV. SUPPORTING INFORMATION

Section A: For any recommendations and supporting information associated with listed requirements, use the box below:

Use "Should" to denote a recommendation.

X-Ref Requirement Number	Recommendations or other supporting information:
	CRs: 6935, 5111, 6559, 6624

Section B: For all other recommendations and supporting information, use this space: N/A

V. CONTACTS

Pre-Implementation Contact(s): Mark Baldwin at Mark.Baldwin@cms.hhs.gov or (410) 786-8139 and Kathleen Kersell at Kathleen.Kersell@cms.hhs.gov (410) 786-2033.

Post-Implementation Contact(s): Contact your Contracting Officer's Representative (COR) or Contractor Manager, as applicable.

VI. FUNDING

Section A: For Fiscal Intermediaries (FIs), Regional Home Health Intermediaries (RHHIs), and/or Carriers:

No additional funding will be provided by CMS; contractor activities are to be carried out within their operating budgets.

Section B: 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.

Medicare Quality Reporting Incentive Programs Manual

Chapter 3 – Contractor Incentive Program Payment Operational Instructions

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(Rev.11, 03-26-13)

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Exhibit 2 – PQRS and eRx Incentive Payment File Record Layout

10 - Foreword

(Rev.11, Issued: 03-26-13, Effective: 06-25-12, Implementation: 06-25-12)

Generally, this chapter describes the yearly payment instructions used by the Medicare contractors when making incentive payments described in this manual (the Medicare Quality Reporting Incentives Manual, Internet Only Manual Publication 100-22).

20 - Contractor Payment Instructions for the Physician Quality Reporting System (PQRS)

(Rev.11, Issued: 03-26-13, Effective: 06-25-12, Implementation: 06-25-12)

The Medicare contractors will receive recurring update notification change requests for PQRS incentive payments. For additional information on this program, see Chapter 1 of this manual.

Contractors shall make the PQRS incentive payments to a group practice, or individual for a private practice, associated with the Tax Identification Number (TIN) identified on the PQRS Incentive Payment file. There will be an annual payment file, developed by a CMS specialty contractor, containing the following information:

- *Eligible Professional (EP) Contractor Number*
- *EP Tax ID Number*
- *EP Incentive Amount*
- *Incentive Report Start Date*
- *Incentive Report End Date*

The CMS specialty contractor shall include a header record on the payment file to identify the type of incentive file and reporting period. PQ denotes PQRS. The file transfer process is as follows: (1) The specialty contractor shall transmit the Incentive Payment file to the CDS and HP EDC in Extended Binary Coded Decimal Interchange Code (EBCDIC); (2) MCS shall segregate the Incentive Payment file MAC/carrier workload number and load into the appropriate instance of MCS; (3) Contractors shall retrieve the file upon direction from CMS after the file is available at the datacenter.

The time frame that Medicare contractors have for completing the PQRS Incentive payments is approximately thirty calendar days. The exact payment beginning and end dates will be in the recurring update notification. There are 4 possible payment months each year: May, August, September, and October. CMS shall add, at its discretion, up to (1) one extra payment cycle per payment year. The Carrier/MACs will be notified via a recurring update notification change request which month the respective incentive payments shall be made. Also, there is the potential for a supplemental payment file that could be provided at a later date, if CMS determines a need for making a supplemental payment. If needed, a supplemental payment would be made in one of these 4 payment months.

20.1 - PQRS Remittance Instructions

(Rev.11, Issued: 03-26-13, Effective: 06-25-12, Implementation: 06-25-12)

The paper remit for PQRS payments are to have the following explanatory message: "This is a PQRS incentive payment." The Medicare contractors have the ability to revise and/or update this message when CMS deems necessary.

The PLB 03-1 segment of the outgoing electronic remittance will be annotated with “LE”. The incentive type year indicator from the header record of the PQRS payment file will be used to populate the PLB 03-2 segment of the outgoing remittance notice. For example: The incentive type year indicator from the header record of the 2010 PQRS payment file was PQ10. Therefore, PQ10 was used to populate the PLB 03-2 segment of the outgoing remittance notice. (See CR 6559 for more information.)

20.2- Contractor Verification and Reporting Instructions for PQRS

(Rev.11, Issued: 03-26-13, Effective: 06-25-12, Implementation: 06-25-12)

*Contractors shall verify that the PQRS Incentive payments have made it through every aspect of processing to payment, including documented confirmation that all payments have been made. Contractors shall receive Excel spreadsheets for each reporting period from CMS via an e-mail notification that lists the grand total of each contractor’s incentive payments and the total number of checks each contractor shall issue. **Prior to issuing the incentive payments**, each contractor shall confirm that the grand total incentive payment amount and the total number of checks to be paid from their **FINAL** file for the incentive payment reporting period match the totals from the Excel spreadsheet. **Prior to issuing the incentive payments**, contractors shall send their findings from comparing the payment files for the reporting period to the Excel spreadsheet via email to their Contractor Manager or Project Officer as appropriate, with an informational copy to PQRS_eRx_Payment_Issues@cms.hhs.gov. Contractors shall notify CMS via email of the **date when all of the payments have been completed** for the reporting period to their Contractor Manager or Project Officer as appropriate, with a copy to PQRS_eRx_Payment_Issues@cms.hhs.gov.*

*Each contractor will report separate results of the incentive payments to CMS as soon as possible but no later than 30 calendar days after payments have been completed using the Incentive Payment Results Report form displayed in Exhibit 1. **NOTE:** The Incentive Payment Results Report displayed in Exhibit 1 is the only acceptable format for capturing this information. CMS will not accept any other formats. Also, contractors are to insert the change request (CR) number for the recurring update notification associated with the payment in the title of the Incentive Payment Results Report.*

Once issues are identified that have prevented payment of the PQRS incentive, where possible contractors shall notify any impacted providers of the issue and the expected resolution date.

The Medicare contractors send their findings for the Incentive Payment Results Report via e-mail to their Contract Manager or Project Officer as appropriate, with an informational copy to PQRS_eRx_Payment_Issues@cms.hhs.gov. If payment issues are reported in the Incentive Payment Results Report, the Medicare contractor is required to provide updates to CMS once each week until the payment issues have been resolved.

30 - Contractor Payment Instructions for the Electronic Prescribing (eRx) Incentive Program

(Rev.11, Issued: 03-26-13, Effective: 06-25-12, Implementation: 06-25-12)

The Medicare contractors will receive recurring update notification change requests for eRx incentive payments. For additional information on this program, see Chapter 2 of this manual.

Contractors shall make the eRx incentive payments to a group practice, or individual for a private practice, associated with the Tax Identification Number (TIN) identified on the eRx Incentive Payment file. There will be an annual payment file, developed by a CMS specialty contractor, containing the following information:

- EP Contractor Number*
- EP Tax ID Number*
- EP Incentive Amount*
- Incentive Report Start Date*
- Incentive Report End Date*

The CMS specialty contractor shall include a header record on the payment file to identify the type of incentive file and reporting period. RX denotes eRx. The file transfer process is as follows: (1) The specialty contractor shall transmit the Incentive Payment file to the CDS and HP EDC in Extended Binary Coded Decimal Interchange Code (EBCDIC); (2) MCS shall segregate the Incentive Payment file MAC/carrier workload number and load into the appropriate instance of MCS; (3) Contractors shall retrieve the file upon direction from CMS after the file is available at the datacenter.

The time frame that Medicare contractors have for completing the eRx Incentive payments is approximately thirty calendar days. The exact payment beginning and end dates will be in the recurring update notification. There are 4 possible payment months each year: May, August, September, and October. CMS shall add, at its discretion, up to (1) one extra payment cycle per payment year. The Carrier/MACs will be notified via a recurring update notification change request which month the respective incentive payments shall be made. Also, there is the potential for a supplemental payment file that could be provided at a later date, if CMS determines a need for making a supplemental payment. If needed, a supplemental payment would be made in one of these 4 payment months.

30.1 - eRx Remittance Instructions

(Rev.11, Issued: 03-26-13, Effective: 06-25-12, Implementation: 06-25-12)

The paper remit for eRx payments are to have the following explanatory message: “This is an eRx incentive payment.” The Medicare contractors have the ability to revise and/or update this message when CMS deems necessary.

The PLB 03-1 segment of the outgoing electronic remittance will be annotated with “LE”. The incentive type year indicator from the header record of the eRx payment file will be used to populate the PLB 03-2 segment of the outgoing remittance notice. For example: The incentive type year indicator from the header record of the 2010 eRx payment file was RX10. Therefore, RX10 was used to populate the PLB 03-2 segment of the outgoing remittance notice. (See CR 6559 for more information.)

30.2 - Contractor Verification and Reporting Instructions for eRx

(Rev.11, Issued: 03-26-13, Effective: 06-25-12, Implementation: 06-25-12)

Contractors shall verify that the eRx Incentive payments have made it through every aspect of processing to payment, including documented confirmation that all payments have been made. Contractors shall receive Excel spreadsheets for each reporting period from CMS via an e-mail notification that lists the grand total of each contractor's incentive payments and the total number of checks each contractor shall issue. **Prior to issuing the incentive payments**, each contractor shall confirm that the grand total incentive payment amount and the total number of checks to be paid from their **FINAL** file for the incentive payment reporting period match the totals from the Excel spreadsheet. **Prior to issuing the incentive payments**, contractors shall send their findings from comparing the payment files for the reporting period to the Excel spreadsheet via email to their Contractor Manager or Project Officer as appropriate, with an informational copy to PQRS_eRx_Payment_Issues@cms.hhs.gov. Contractors shall notify CMS via email of the **date when all of the payments have been completed** for the reporting period to their Contractor Manager or Project Officer as appropriate, with a copy to PQRS_eRx_Payment_Issues@cms.hhs.gov.

Each contractor will report separate results of the incentive payments to CMS as soon as possible but no later than 30 calendar days after payments have been completed using the Incentive Payment Results Report form displayed in Exhibit 1. **NOTE:** The Incentive Payment Results Report displayed in Exhibit 1 is the only acceptable format for capturing this information. CMS will not accept any other formats. Also, contractors are to insert the change request (CR) number for the recurring update notification associated with the payment in the title of the Incentive Payment Results Report.

Once issues are identified that have prevented payment of the eRx incentive, where possible contractors shall notify any impacted providers of the issue and the expected resolution date.

The Medicare contractors send their findings for the Incentive Payment Results Report via e-mail to their Contract Manager or Project Officer as appropriate, with an informational copy to PQRS_eRx_Payment_Issues@cms.hhs.gov. If payment issues are reported in the Incentive Payment Results Report, the Medicare contractor is required to provide updates to CMS once each week until the payment issues have been resolved.

Exhibit 1 – Incentive Payment Results Report

(Rev.11, Issued: 03-26-13, Effective: 06-25-12, Implementation: 06-25-12)

Contractors are to insert the change request (CR) number for the recurring update notification associated with the PQRS or eRx payment in the title of the Incentive Payment Results Report displayed in Exhibit 1.

Exhibit 2 – PQRS and eRx Incentive Payment File Record Layout

(Rev.11, Issued: 03-26-13, Effective: 06-25-12, Implementation: 06-25-12)

The PQRS and eRx incentive payments are not combined into one file. Each incentive has its own separate file.

Incentive Payment Results Report

(Rev.11, Issued: 03-26-13, Effective: 06-25-12, Implementation: 06-25-12)

Contractors shall report the following to CMS for each workload:

Glossary of terms:

Workload – each contractor number for which the MAC is responsible (Example: 01503, 01504, 01505)

Payment/Paid – check has been invoiced and mailed or check has been sent via EFT

1. Have you verified that the incentive payments have made it through every aspect of processing to payment?
 Yes _____ No _____

2. Do you have documentation available confirming that all payments have been paid to eligible professionals?
 Yes _____ No _____

3. Annotate how many incentive checks you were scheduled to pay per the payment file received from the CMS mainframe.
 # of checks scheduled to be paid = _____

Note: Use one line to report for each workload. The totals in this chart should equal the number of checks annotated above that the contractor was scheduled to pay.

MAC/Carrier	Contractor Number	States	Number of Checks Paid	Total Dollar Amount for Checks Paid	Number of Checks Not Paid <i>Provide details in chart 4</i>	Total Dollar Amount for Checks NOT paid <i>Provide details in chart 4</i>
Example:	00000	AK	225	\$17,234.50	10	\$2,359.00
Totals						

Incentive Payment Results Report

4. Annotate the details for incentive checks “Not Successfully” paid due to the appropriate reason below.

of checks “Not Successfully” paid = _____:

Note: This chart should only show details for payment issues that remain unresolved as of the date of this report. If you encountered a payment issue and it has been resolved, do not report it in this chart.

MAC/Carrier	Contractor Number	States	# of HIGLAS Rejections	Total Dollar Amount for HIGLAS rejections	# of Invalid TIN(s) <i>Provide details in Chart 5</i>	Total Dollar Amount for Invalid TINs	# of Do Not Forwards (DNFs) <i>*No follow up is required for DNFs.</i>	Total Dollar Amount for DNFs	# of Other <i>Provide details in chart 6</i>	Total Dollar Amount for Checks not paid for “Other” reasons	Grand Total of ALL checks “ <u>Not Successfully</u> ” paid
Example:											
Totals											

5. Provide details of unresolved payment issues for payments associated with invalid TINs:

MAC/Carrier	Contractor Number	State	Invalid TIN number(s)	Payment Amount

6. Provide details on unresolved payment issues for payments in “Other” column

Incentive Payment Results Report

MAC/Carrier	Contractor Number	Details for Payment issue(s) annotated in table 4

Add additional rows to report as necessary.

(Rev.11, Issued: 03-26-13, Effective: 06-25-12, Implementation: 06-25-12)

**PQRS and eRx INCENTIVE PAYMENT FILE
RECORD LAYOUT**

FIELD NAME	START/END POSITION	PIC	COMMENT
HEADER RECORD			
Header Indicator	1-4	X(4)	Value "HEAD"
Header Record Number	5-5	X(1)	Value 1 to 9
Filler	6-6	X(1)	Value spaces
Incentive Type Year Indicator	7-10	X(4)	
--Incentive Type	7-8	X(2)	Value PQ denotes PQRS Incentive; Value RX denotes eRx Incentive. NOTE: Each incentive will have its own separate file; they are not combined into one file.
--Incentive Reporting Year	9-10	X(2)	Value denotes reporting year for Incentive
Filler	11-125	X(115)	Value spaces
DATA RECORD			
Carrier/MAC Number	1-5	X(5)	Left justified.
FILLER	6-24	X(19)	Value spaces (in the future, this field may contain the NPI).
Incentive Recipient Tax ID	25-34	X(10)	Left justified, one blank field.
FILLER	35-39	X(5)	Value spaces
Incentive Amount	40-49	9(8)v99	
FILLER	50	X(1)	Value spaces
Report Start Date	51-58	X(8)	CCYYMMDD (beginning time period for reporting of claims for PQRS or eRx; i.e. January 1, 2009).
FILLER	59	X(1)	Value spaces
Report End Date	60-67	X(8)	CCYYMMDD (ending time period for reporting of claims for PQRS or eRx; i.e. December 31, 2009).
FILLER	68-125	X(58)	Value spaces

