

## From Jud's Desk



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Questions about PBN or topics in this issue? Call Jud at 800.288.4901.

As a member of the Government Affairs Committee of the Healthcare Billing and Management Association (HBMA), I've just returned from a rare opportunity to spend an entire day at CMS offices in Baltimore. In meetings with top-level CMS officials, views were shared on a number of important regulations that CMS is working on for the near term as well as long term. You will notice in this newsletter that we have devoted the entire issue to two of these important initiatives.

First, is the continuing process of implementing the National Provider Identifier (NPI) for all healthcare providers. NPI will be critical for getting reimbursement. Most providers have their own NPI but may not have all the necessary referring and facility NPI's. Obtaining all the necessary NPI numbers is essential for billing purposes.

Secondly, the Physician Quality Reporting Initiative (PQRI) is even more important in terms of how you will be compensated in the future. PQRI is currently voluntary. The reason to participate in the PQRI process goes well beyond the financial bonuses that will be paid. The greater purpose is to contribute to Pay for Performance (P4P) momentum. If CMS is to succeed in shifting physician compensation from a measure quantity to one of quality and outcomes, those who are advocates of quality must participate.

I trust you will find our articles on both subjects beneficial.

All the best,

*Jud*

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*Provider News*



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# Provider News

## Physician Quality Reporting Initiative (PQRI)

By Tammi Schaper, CPC

As healthcare costs continue to escalate and the population continues to age, Medicare must look for ways to control its ever-increasing spending. One of the perceived flaws in the current system is that it is volume-driven, basing payments on the quantity and distribution of CPT codes submitted vs. rewarding a provider based on quality or the value of the services rendered. On December 20, 2006, President Bush signed the Tax Relief and Health Care Act of 2006, which establishes a physician quality reimbursement reporting system. With the passage of this federal law, Medicare is developing a Pay For Performance (P4P) system, where quality and efficiency are measured, ultimately basing reimbursement on outcomes.

**What is PQRI?** This act links Medicare physician bonus payments to the reporting of data related to 74 quality measures published by CMS.

PQRI is a voluntary quality reporting program that provides financial incentives to participating, eligible professionals. PQRI is considered by some as Step One, or the information-gathering stage of P4P. In this initial phase, CMS is rewarding participants for data only. In the future, Medicare will use this information to further develop systems to reward providers for actual patient outcomes.

As an example, Measure #47 relates to whether an Advance Care Plan exists for the patient and is documented in the medical record. To earn a bonus payment for this measure, the physician would need to submit his/her typical claim for an E/M service for the patient, as well as providing additional codes to relay whether this Advance Care Plan is documented in the patient's chart.

**When does PQRI go into effect?**

The initial reporting period is from July 1 through December 31, 2007. Claims submitted to Medicare

## CMS Announces plan to share NPI numbers

By Greg Killinger

For months, the Centers for Medicare and Medicaid Services (CMS) has been encouraging providers to get, share and use their National Provider Identifiers (NPI). Several providers were concerned about sharing NPI numbers that may have contained HIPAA protected information. After several months of lobbying by several provider and medical billing associations, CMS has announced their plans for disseminating and making available the NPI numbers. This move by CMS is very encouraging and will make the NPI implementation much more efficient and effective.

CMS has published in the Federal Register its plans for disseminating providers' NPI's and  
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for dates of service in this range are eligible for a bonus payment.

**Who is eligible to participate?** Eligible professionals must be enrolled in Medicare and include physicians (Doctor of Medicine, Doctor of Osteopathy), other specified practitioners (Certified Registered Nurse Anesthetists, Physician Assistants, Nurse Practitioners) and therapists (physical, occupational).

### **Do I need to separately enroll in the PQRI program?**

No separate PQRI enrollment is necessary. However, the eligible provider's individual National Provider Identifier (NPI) must be included on the claim. "Eligible" claims submitted without the provider's individual NPI number will not be considered for bonus payment.

### **How is the PQRI bonus payment calculated?**

The potential 1.5% bonus, subject to a cap, will be based on the participant's Medicare allowed charges for dates of service from July 1 through December 31, 2007. The bonus will apply to all Medicare allowed charges during this date range, not just those charges associated with the reported quality measures. These claims must be received by Medicare no later than February 29, 2008.

### **What is the purpose of the bonus cap?**

The purpose of the cap is to encourage more instances of measure reporting, as well as attempt to provide equality between providers who report very few instances vs. those who report many. If the volume of quality data reported by a provider is limited, the 1.5% maximum bonus level may not be reached. The cap is calculated by multiplying the national average per measure payment amount (national total charges associated with quality measures / national total instances of reporting) X a constant of 300% X the total individual instances of reporting. At this time, it is not possible to determine or even estimate at what bonus level a particular practice may attain, as the formula for bonus payment relies upon the data submitted by all participating providers during the first reporting period.

### **How do I ensure the maximum available bonus payment will be paid to my practice?**

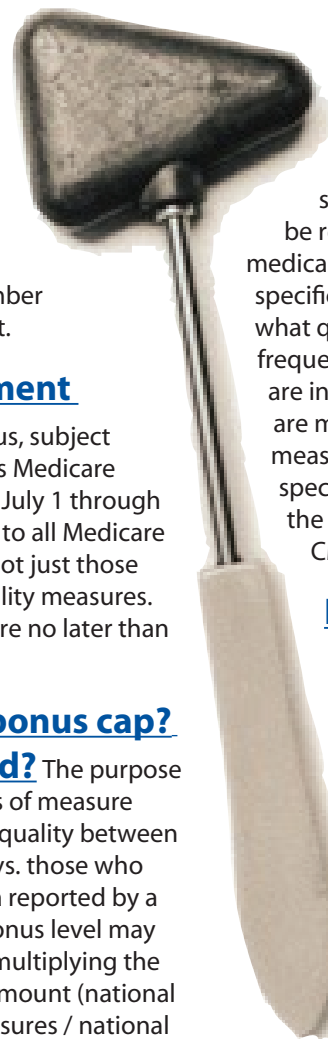
CMS and most specialty societies recommend that eligible providers report on every quality measure that is applicable to the practice. If there are no more than three applicable quality measures, each of these measures must be reported for at least 80% of the cases in which

the measure was reportable. If four or more measures are applicable, the 80% threshold must be met on at least three of the measures reported (chosen by the provider).

### **When can I expect to be paid this bonus?**

The bonus payment will be issued as a lump-sum payment in mid-2008 and will be remitted to the group tax id.

### **How will you react?**



### **What quality measures are applicable to my practice or specialty?**

The initial 74 measures that apply to dates of service beginning July 1, 2007, can be found at [www.cms.hhs.gov/PQRI/](http://www.cms.hhs.gov/PQRI/). These measures are not organized by medical specialty. Each measure, along with the more detailed specifications applicable to each measure, should be reviewed to determine its relevance to the specific medical practice and patient population. These detailed specifications describe when the measure is reportable, what quality-data codes should be reported, if reporting frequency rules exist, whether performance time frames are in place, etc. Also included in many of these measures are modifiers which can be used to communicate if the measure requirement was met and if not, why not. These specifications should be reviewed thoroughly to ensure the correct data is captured, recorded and transmitted to CMS for bonus calculation.

### **How do I report this information to Medicare?**

When an eligible claim is submitted to Medicare for Part B payment, the corresponding CPT Category II codes (or temporary G-codes) must also be submitted. Quality-data codes not submitted on the same claim as the applicable diagnosis and/or procedure will not be considered for bonus payment.

### **Are there quality measures that apply to anesthesiologists?**

**Measure #30 Perioperative Care: Timing of Prophylactic Antibiotic – Administering Physician** is the primary quality measure applicable to anesthesia practices in 2007. This measure is to be reported each time a surgical procedure is performed for patients with an order for prophylactic antibiotic. The 'denominator' CPT II code 4047F is submitted if the order exists. One of two 'numerator' CPT II codes is also submitted: 4048F if the antibiotic was given within one hour prior to incision (two hours if fluoroquinolone or vancomycin), or 4048F with Modifier 8P if the antibiotic was not given within one to two hours of surgical incision.

### **Are there quality measures that apply to radiologists?**

Measures #10 and #11 apply specifically to diagnostic radiologists. **Measure #10 Stroke and Stroke Rehabilitation: CT or MRI Reports** looks at CT or MRI studies

of the brain performed within 24 hours of hospital arrival for patients presenting with ischemic stroke or TIA. 'Numerator' CPT II codes will tell Medicare if the test was performed within 24 hours (codes 3110F and 3111F), if the test was performed greater than 24 hours after hospital arrival (code 3112F) or the test was performed within 24 hours but presence/absence of hemorrhage, mass lesion and acute infarction are not documented in the report (codes 3110F with modifier 8P and 3111F). Claims reflecting a diagnosis of stroke or TIA and a brain CT or MRI will be included in this measure's denominator.

**Measure #11 Stroke and Stroke Rehabilitation: Carotid Imaging Reports** again looks at patients presenting with ischemic stroke or TIA on whom a carotid imaging study is performed. Patients whose claims reflect a diagnosis of stroke or TIA and a carotid study will be included in this measure's denominator. 'Numerator' CPT II codes will relay to Medicare if the report includes reference to measurements of distal internal carotid diameter (code 3100F), the measurement of distal internal carotid diameter was not referenced for medical reasons (code 3100F with modifier 1P) or the measurement is not referenced in the report but no reason is provided (code 3100F with modifier 8P).

### **Are there quality measures that apply to pain management physicians?**

No specific quality measure is targeted to the pain management physician. However, each of the 74 measures should be reviewed to ensure that none apply to the practice's specific patient population.

### **What should my practice do now to be prepared?**

Review the 2007 PQRI measures list and detailed specifications. Select measures that address the services currently being provided to your patients. Consider your practice's existing quality improvement goals when selecting measures. Determine what role each team member will play in the data gathering and reporting process. Ensure required data is recorded in the medical record. Provide education to staff members. Determine what system changes will be required to capture this data and submit required quality-data codes. Test these systems prior to the July 1st live date.

### **Where do I record the PQRI related data?**

CMS requires that this information be documented in the medical record, including the reason why the particular action specified in the measure was not carried out (e.g., medical contraindication). This information must also be relayed to your billing partner, so the required Category II codes can be included on the claim for payment.

### **How can I be assured that both my reporting system and Medicare are PQRI-ready?**

Although the July 1st implementation draws near, it is not too late to check with your billing agent, software

vendor and/or claims clearinghouse to ensure their readiness, particularly to record and transmit a zero-dollar transaction. CMS has also designated a testing code (G8300) that can be submitted on claims prior to July 1st to ensure practice and system readiness.

### **How do I continue to receive information about PQRI?**

CMS continues to update its PQRI website with the latest changes regarding this program. CMS has hosted a number of national provider calls to disseminate information about PQRI, and posts the call transcripts and presentation materials on their website. Local Medicare carriers also publish periodic information about PQRI. The American Medical Association and a variety of specialty societies are also good resources for information and clarification about specific measures. Physician consultants, management firms and billing companies can serve as viable resources as well.

Please watch for upcoming articles in [PBN Provider News](#) related to PQRI, including provider feedback reports, changes or updates to various measures and 2008 information.

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related information collected by the National Plan and Provider Enumeration System (NPPES). Now that the NPI Rule is in effect, the NPI's are necessary for conducting standard transactions, and the accompanying information may be useful to plans and providers attempting to locate a provider's NPI.

CMS will make public all but three data elements, each related to individuals: Social Security number, individual tax payer identification, and date of birth. CMS will make all other data elements NPPES collects available to the public through two electronic mechanisms. First, CMS will provide a downloadable file, accessible at a web site to be announced. The file will be updated monthly. Second, CMS will establish a "query-only database" available to the public on a web site. Both mechanisms will provide providers' NPI's and all other data NPPES collects on providers, except for the three excluded data elements. PBN will build processes to download these files and incorporate this NPI information with the electronic PBN billing system.

CMS will announce the location of these web sites at its NPI home page, <http://www.cms.hhs.gov/NationalProvIdentStand/>. The web sites are not yet operational at the time of writing this information. PBN will, however, continue to monitor and provide updates to our clients and readers of the PBN newsletter.