

Health System Reform INSIGHT



June 16, 2011

Given the many changes under way in the nation's health system, the AMA has developed *Health System Reform Insight* to help you understand what this new direction means to you and your patients.

CMS to modify Medicare ePrescribing penalty program

Under the Centers for Medicare & Medicaid Services (CMS) ePrescribing rule, physicians must issue at least 10 electronic scripts (e-scripts) by June 30, 2011, to avoid an ePrescribing penalty that amounts to a 1 percent reduction from their total Medicare Part B allowable charges in 2012.

The AMA continually stressed to CMS that the agency's sudden decision in November 2010 to require physicians to meet these criteria by June 30 of this year in order to avoid 2012 penalties was unreasonable. The [AMA pressured CMS](#) to make changes to the [program](#), including the creation of additional exemption opportunities so that physicians who would have difficulty complying with the ePrescribing requirements so quickly would not be penalized unfairly.

On May 26, CMS released a [proposed rule](#) that would allow physicians, if they qualify, to apply for one of several new ePrescribing penalty exemptions through a Web-based portal that is still under construction. Physicians would have to apply for an exemption by Oct. 1 to avoid the penalty.

Physicians still are required to ePrescribe using a qualifying system and report the G8553 code on at least 10 Medicare Part B claims from Jan. 1–June 30, 2011, to avoid the 2012 penalty. However, physicians who find it difficult to meet the 10 e-



June 28

Hear about the AMA's proposal to eliminate Medicare's sustainable growth rate formula and transition to a new set of physician payment and delivery innovations by participating in an AMA webinar at 7 p.m. Eastern time June 28. Jeremy Lazarus, MD, speaker of the AMA House of Delegates, will lead the program. [Register](#) today.

July 16

A [seminar](#) in Durham, N.C., will highlight the AMA's strategy for achieving physician payment improvements in Medicare, Medicaid and the private sector as well as new federal ACO regulations. [Register](#) today.



[AMA comments on proposed rules covering accountable care organizations](#)

[AMA letter on developing pathway toward reforming the Medicare physician payment system](#)

[Letter in support of HEALTH Act to repair nation's medical liability system](#)

script requirement can apply for one of the following exemption categories by Oct. 1 of this year:

- Their practice is located in a rural area without high-speed internet access.
- Their practice is located in an area without sufficient available pharmacies for ePrescribing.
- They are registered to participate in the Medicare or Medicaid Electronic Health Record (EHR) Incentive Program and have adopted certified EHR technology.
- They are unable to electronically prescribe due to local, state or federal law or regulation (such as prescribing controlled substances).
- They prescribe infrequently (for example, they prescribed fewer than 10 prescriptions between Jan. 1 and June 30).
- There are insufficient opportunities to report the ePrescribing measure due to program limitations (for example, a surgeon ePrescribes but not on the date of the patient encounter in accordance with the program requirements).

CMS will finalize its changes to the ePrescribing penalty program sometime this summer.

Read an [AMA Wire story](#) about CMS's proposed rule. And [learn](#) more about the steps physicians should take now to avoid the Medicare ePrescribing penalty.



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