*Medicare Physician Quality Reporting Initiative*

January 2008

# PQRI Fact Sheet

http://www.cms.hhs.gov/PQRI

## Statute and Overview

On December 20, 2006, the President signed the Tax Relief and Health Care Act of 2006 (TRHCA), authorizing a financial incentive for eligible professionals to participate in a **voluntary quality reporting program** in 2007. On December 29, 2007, the President signed the Medicare, Medicaid, and SCHIP Extension Act of 2007 (Extension Act), which authorizes a financial incentive for participation in the program in 2008. CMS has titled this program the Physician Quality Reporting Initiative (PQRI). To view the legislative language and see a detailed list of eligible professionals, visit *http://www.cms.hhs.gov/pqri* on the CMS PQRI website.

Eligible professionals who successfully report a statutory minimum number of quality measures on claims for dates of service from **January 1 through December 31, 2008 may earn an incentive equivalent to 1.5% of total allowed charges for covered Medicare Physician Fee Schedule (MPFS) services**. The allowed charges on which the 1.5% incentive will be calculated are not limited to those services to which PQRI quality measures are applicable, but the allowed charges for all MPFS services furnished during the reporting period.

CMS is committed to becoming an active purchaser of high quality, efficient health care. The PQRI program is an important step toward this transformation to purchasing based on the value rather than just the volume of services furnished. CMS is also developing and implementing pay for performance for multiple types of health care providers, to encourage the provision of high-quality, cost-effective care for Medicare beneficiaries.

## Specifications

In 2008, PQRI reporting is based on 119 unique quality measures, including 2 structural measures. The structural measures focus on whether a professional uses electronic health records and/or electronic prescribing technology. These measures may be reported by any eligible professional on any Medicare patient, regardless of whether any other 2008 PQRI measures apply to the services furnished by that professional.

The *CMS 2008 Physician Quality Reporting Initiative Specifications* document is posted on the CMS PQRI website. This document includes detailed specifications for each of the 119 measures associated with clinical services that are routinely represented on Medicare Fee-for-Service claims through the use of diagnosis codes from the International Classification of Diseases, Ninth Revision, Clinical Modification (ICD-9-CM) and procedure codes from the Healthcare Common Procedure Coding System (HCPCS).

The *Specifications* document describes specific measures and associated codes that address various aspects of care such as: prevention, management of chronic conditions, care coordination, acute episode of care management, procedure-related care, resource utilization, and use of Health Information Technology. The *Specifications* document contains descriptions for each PQRI quality measure, identifies the specific diagnosis and procedure codes defining its denominator, and includes instructions on how to code the measure's numerator. Each measure has a **reporting frequency** requirement for services furnished during the reporting period (e.g., report for each patient to whom the measure applies one time only, once for each procedure performed, once for each acute episode). Some measures include specific **performance timeframes** related to the clinical action in the numerator that may be distinct from the measure's reporting frequency requirement. For example, performance timeframes may be stated as "within 12 months" or "most recent."

## PQRI Quality-Data Codes

There are specific PQRI quality-data codes associated with each of the 2008 PQRI measures. PQRI quality-data codes are CPT® II codes, though temporary G codes will be used on an exception basis where CPT Category II codes have not yet been developed. PQRI quality-data codes translate clinical actions or patient condition variables (such as blood pressure values) so they can be captured via the

administrative claims process. For example, PQRI quality-data codes can relay that:

- The measure requirement was met
- The measure requirement was not met due to documented allowable performance exclusions (i.e., using performance exclusion modifiers)
- The measure requirement was not met and the reason is not documented in the medical record (i.e. using the 8P reporting modifier)

## CPT II Modifiers

Individual PQRI quality-data codes can be associated with more than one measure or can require a specific modifier. PQRI measures may require an eligible professional to append a modifier to a CPT Category II code. CPT II modifiers may only be reported with CPT II codes and cannot be used with G codes. Coding instructions included in the *Specifications* document indicate when a modifier may be applicable for a given measure. CPT II Modifiers fall into two categories:

**1. Performance Measure Exclusion Modifiers**

There are three exclusion modifiers that indicate that an action specified in the measure was not provided due to medical, patient, or system reason(s) documented in the medical record. One or more exclusions may be applicable for a given measure. Certain measures have no applicable exclusion modifiers. Refer to the measure specifications to determine the appropriate exclusion modifiers.

**2. Performance Measure Reporting Modifier**

*"**8P**- Action not performed, reason not otherwise specified"* facilitates reporting a case when the patient is eligible but an action described in a measure is not performed and the reason is not specified or documented.

## Integration of PQRI Quality-Data Code Reporting Into Your Care Delivery Process

**1. Select Measures**

Eligible professionals should select measures that address the services they provide to patients. When selecting measures, consider:

- Conditions treated
- Types of care provided (e.g., preventive, chronic, acute)
- Settings of care (e.g., office, ED, surgical suite)
- Individual quality improvement goals for 2008

**2. Define Team Roles**

Discuss measures and plan your approach to capture quality data for reporting with team.

**3. Modify Workflows and Billing Systems**

Walk through your care process and determine what systems changes will be required to capture quality-data codes.

- Consider using worksheets or other tools for data capture
- Discuss systems capabilities with practice management software vendors and third-party billing vendors and clearinghouses
- Test systems

## PQRI Participation Strategies: Reporting Quality Data

- The CPT Category II code, which supplies the numerator, must be reported on the same claim as the payment ICD-9-CM and CPT Category I codes, which supply the denominator of the measures.
- Multiple CPT Category II codes can be reported on the same claim, as long as the corresponding denominator codes are also on that claim.
- The individual National Provider Identifier (NPI) of the participating professional must be properly used on the claim.
- Multiple eligible professionals may report quality data on the same claim, provided that each quality-data code line item and the codes for the corresponding services rendered by each professional are properly identified with that professional's individual NPI.
- Submitted charge field cannot be blank.
- Line item charge should be $0.00; if your billing system does not allow $0.00 line item charge, use a nominal amount (e.g. $0.01) until your software can be updated. Please note that submitting non-zero charges for PQRI line items may cause delays in processing of claims by payers secondary to Medicare.
- Entire claims with a zero charge will be rejected.
- Final-action claims must reach the National Claims History (NCH) file by February 28, 2009 to be included in the analysis.
- Quality-data code line items will be denied for payment but then passed through to the NCH file for PQRI analysis. Eligible professionals will receive a Remittance Advice (N365) as confirmation that the quality-data codes passed into the NCH file.
- Claims may not be resubmitted to add PQRI quality-data codes.

## Ensuring Success

- Take advantage of the educational resources available to you on the PQRI website. These include a 2008 PQRI tool kit designed to help eligible professionals be successful.
- Start reporting January 1, 2008 to increase the probability of achieving the 80 percent rate of reporting during the reporting period.
- Report on as many measures as possible to increase the likelihood of achieving successful reporting.
- Ensure that quality codes are reported on the same claim as the diagnosis and CPT I codes.

For additional educational resources or information on the Physician Quality Reporting Initiative, the CMS PQRI website contains all publicly available information at: *http://www.cms.hhs.gov/PQRI* on the CMS PQRI website.



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