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**\*IMPORTANT UPDATE\***  
**Notice to Nurse Practitioners**  
**Who Directly Bill Part B for Treating Medicare Patients**

**NOTE:** *In the June 1, 2011 Federal Register CMS announced changes in the regulations for implementing the penalty phase of the program to encourage electronic prescribing for Medicare patients. Much of the original materials in this notice remain valid, but there is a new section, highlighted under “Necessary NP Actions,” #4 on page 2, about a penalty exemption for NPs who have limited prescribing activity.*

The Centers for Medicare and Medicaid Services (CMS) are starting the second phase of a program mandated under the Medicare Improvements for Patients and Providers Act of 2008 (MIPPA) to increase e-prescribing. The first phase offered positive incentives to successful e-prescribers. Eligible providers including nurse practitioners who record e-prescribing on their Medicare Part B claims can receive bonus payments for claims with 2011 dates of service—no additional registration is required. (More information can be found on the CMS website [www.cms.gov/erxincentive/](http://www.cms.gov/erxincentive/)).

The second phase of the MIPPA program encourages clinicians to e-prescribe by penalizing clinicians who don't e-prescribe. In addition to physicians and physician assistants, nurse practitioners (NPs) are covered by this program, so they may be at risk.

**Who may be affected?**

NPs who are enrolled as Medicare providers and directly bill Part B for at least 100 visits between January and June 2011 will have their claims reviewed by their Medicare Part B Carrier. (The Current Procedural Terminology (CPT) and other Healthcare Common Procedure Coding System (HCPCS) billing codes that will be reviewed are listed at the end of this notice.) Those NPs must show that e-prescribing was used at least 10 different times.

Evidence of e-prescribing can be provided by including a line item on a patient claim for HCPCS code G8553: “At least one prescription created during the encounter was generated and transmitted electronically using a qualified eRx system.” An example of the required entry on the CMS-1500 billing form is provided at the end of this notice using an illustration from the CMS website.

NPs who meet the volume threshold but do not document their e-prescribing will lose 1 percent of their approved charges for services provided to Part B patients during calendar 2012. (A similar independent review will be conducted in 2012 and 2013 with resulting penalties of 1.5 percent and 2 percent, respectively.)

## **For NPs who cannot or do not use e-prescribing**

NPs who treat Medicare patients and directly bill Part B but who do not have prescriptive authority should record on at least one Part B claim a line item for HCPCS code G8644: “Eligible professional does not have prescribing privileges.” There is no HCPCS code for those NPs with prescriptive authority who choose not to use it.

There are also hardship exemptions for NPs who practice in certain remote areas. An NP may request a significant hardship exemption from the application of the 2012 payment adjustment because the NP cannot submit prescriptions electronically due to a system hardship (e.g., practicing in a rural area without Internet access or having limited access to pharmacies for electronic prescribing). Hardship codes are as follows:

G8642: “The eligible professional practices in a rural area without sufficient high speed internet access and requests a hardship exemption from the application of the payment adjustment under section 1848(a)(5)(A) of the Social Security Act.”

G8643: “The eligible professional practices in an area without sufficient available pharmacies for electronic prescribing and requests a hardship exemption from the application of the payment adjustment under section 1848(a)(5)(A) of the Social Security Act.”

In all cases where the NP bills for 100 or more listed primary care services, the relevant prescribing G codes must be used or the financial penalty will be imposed. NPs with fewer than 100 Medicare primary care services/visits should not be affected regardless of their e-prescribing patterns.

### **Necessary NP actions**

For NPs with 100 or more Medicare primary care services/visits, there are four possibilities.

#### 1. NP with no prescriptive privileges:

On at least one Medicare Part B claim include a line item for G8644 indicating you do not have prescribing privileges.

#### 2. NP with prescribing privileges who uses e-prescribing:

On each of at least 10 Medicare Part B claims, include a line item for G8553, “At least one prescription created during the encounter was generated and transmitted electronically using a qualified eRx system.” If you do not include the G8553 code on at least 10 claims, you may be subject to a 1 percent reduction in Medicare approved charges in 2012, even if you have been e-prescribing.

#### 3. NP with prescribing privileges who writes prescriptions but does not use e-prescribing because such a service is unavailable in her or his practice locality:

On at least one Medicare Part B claim include a line item for G8642 indicating you do not have access to sufficient high speed Internet or G8643 indicating there are no local pharmacies accepting e-prescribing.

#### 4. NP with prescribing privileges who does not prescribe or who does not prescribe for Medicare patients:



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