

**2007 Physician Quality
Reporting Initiative (PQRI)**

**Preparation and Participation
Strategies for Successful
Reporting**

April 19, 2007

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Overview

- Value-Based Purchasing and the PQRI
- PQRI Introduction
- PQRI Preparation Strategies
- PQRI Participation Strategies
- Answers to the Most Frequently Asked PQRI Questions

Value-Based Purchasing and PQRI

- Value-based purchasing is a key mechanism for transforming Medicare from a passive payer to an active purchaser
 - Current Medicare Physician Fee Schedule based on quantity and resources consumed, NOT quality or value of services
- Value = Quality / Cost
 - Incentives can encourage higher quality and avoidance of unnecessary costs to enhance the value of care

Value-Based Purchasing Support

- President's Budget
 - FYs 2006, 2007, and 2008
- Congressional Interest in Value-Based Purchasing Tools
 - Medicare Modernization Act, Deficit Reduction Act, and Tax Relief and Health Care Act provisions
- MedPAC Reports to Congress
 - VBP recommendations related to quality, efficiency, health information technology, and payment reform
- IOM Reports
 - Recent report, *Rewarding Provider Performance: Aligning Incentives in Medicare*
- Private Sector
 - Private health plans
 - Employer coalitions

VBP Demonstrations and Pilots

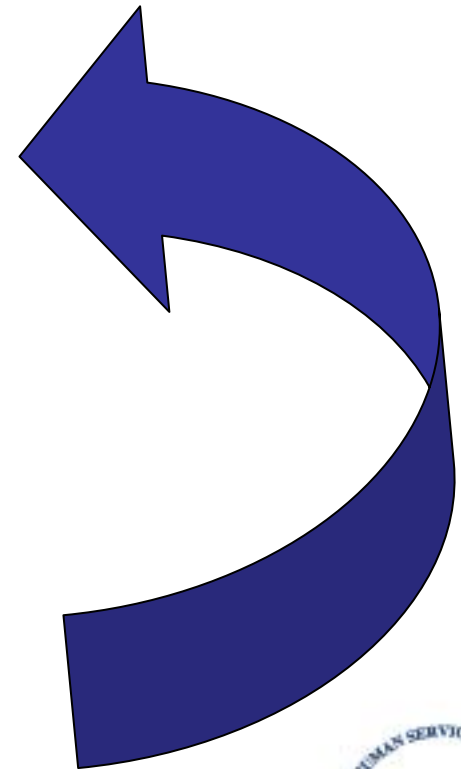
- Premier Hospital Quality Incentive Demonstration
- Physician Group Practice Demonstration
- Medicare Care Management Performance Demonstration
- Nursing Home Value-Based Purchasing Demonstration
- Home Health Pay-for-Performance Demonstration
- ESRD Bundled Payment Demonstration
- ESRD Disease Management Demonstration
- Medicare Health Support Pilots
- Care Management for High-Cost Beneficiaries Demonstration
- Medicare Healthcare Quality Demonstration
- Gainsharing Demonstrations

Quality and PQRI

- PQRI reporting will focus attention on quality of care
 - Foundation is evidence-based measures developed by professionals
 - Reporting data for quality measurement rewarded with financial incentive
 - Measurement enables improvements in care
 - Reporting is the first step toward pay for performance

Quality and PQRI

- Performance Improvement Cycle
 - Determine Best Practices
 - Define Measures
 - Collect Data
 - Report Results
 - Set Targets
 - Align Incentives
 - Support Improvement
 - Improve Systems
 - Reassess
 - Repeat the Cycle



Benefits of PQRI Participation

- You will receive confidential feedback reports to support quality improvement
- You may earn a bonus incentive payment
- You will be making an investment in the future of your practice
 - Prepare for higher bonus incentives over time
 - Prepare for pay for performance
 - Prepare for public reporting of performance results

PQRI Introduction

- Tax Relief and Healthcare Act (TRHCA) Division B, Title I, Section 101 provides statutory authority for PQRI and defines:
 - Eligible professionals
 - Quality measures
 - Form and manner of reporting
 - Determination of satisfactory reporting
 - Bonus payment calculation
 - Validation
 - Appeals

PQRI Eligible Professionals

- Physicians
 - MD/DO
 - Podiatrist
 - Optometrist
 - Oral Surgeon
 - Dentist
 - Chiropractor
- Therapists
 - Physical Therapist
 - Occupational Therapist
 - Qualified Speech-Language Pathologist
- Practitioners
 - Physician Assistant
 - Nurse Practitioner
 - Clinical Nurse Specialist
 - Certified Registered Nurse Anesthetist
 - Certified Nurse Midwife
 - Clinical Social Worker
 - Clinical Psychologist
 - Registered Dietician
 - Nutrition Professional

PQRI Quality Measures

- Final list of 74 quality measure statements, descriptions, and detailed specifications now posted at: www.cms.hhs.gov/PQRI
- Specifications may be updated and reposted prior to the July 1, 2007 start date to expand the applicability of the measures

PQRI Form and Manner of Reporting

- The reporting period is for dates of service from July 1 through December 31, 2007
- Claims-based reporting using CPT Category II quality codes (and temporary G codes where CPT Category II codes are not yet available)

PQRI Determination of Satisfactory Reporting

- Reporting thresholds are set by statute
- If there are no more than 3 measures apply
 - Each measure must be reported for at least 80% of the cases in which the measure was reportable
- If 4 or more measures apply
 - At least 3 measures must each be reported for at least 80% of the cases in which the measure was reportable

PQRI Bonus Payment Calculation

- Bonus payment calculation set by statute
- Participating eligible professionals who successfully report may earn a 1.5% bonus, subject to cap
 - 1.5% bonus calculation is based on total allowed charges during the reporting period for covered professional services billed under the Physician Fee Schedule
- Bonus payments will be made to the holder of the Taxpayer Identification Number (TIN) in a lump sum in mid-2008

PQRI Bonus Payment Calculation

- Cap calculation =
 1. Individual's instances of reporting quality data
X
 2. 300%
X
 3. National average per measure payment amount
- National average per measure payment amount =
National total charges associated with quality measures /
National total instances of reporting

PQRI Validation and Appeals

- Validation
 - The statute requires CMS to use sampling or other means to validate whether the required minimum number of quality measures applicable to the services have been reported
- Appeals
 - The statute excludes PQRI-related determinations from formal administrative or judicial review

PQRI Preparation Strategies

- Integration of PQRI quality data reporting into your care delivery processes
 1. Select Measures
 2. Define Team Roles
 3. Modify Workflows and Billing Systems

PQRI Preparation Strategies:

1. Select Measures

- Review the 2007 PQRI measures list and specifications at: www.cms.hhs.gov/PQRI
 - Click on the Measures/Codes link
 - Go to Downloads
- Select measures that address the services you provide to patients
 - Conditions you treat
 - Types of care you provide – e.g., preventive, chronic, acute
 - Settings of care for your work – e.g., office, ED, surgical suite
- Consider your quality improvement goals for 2007

PQRI Preparation Strategies:

2. Define Team Roles

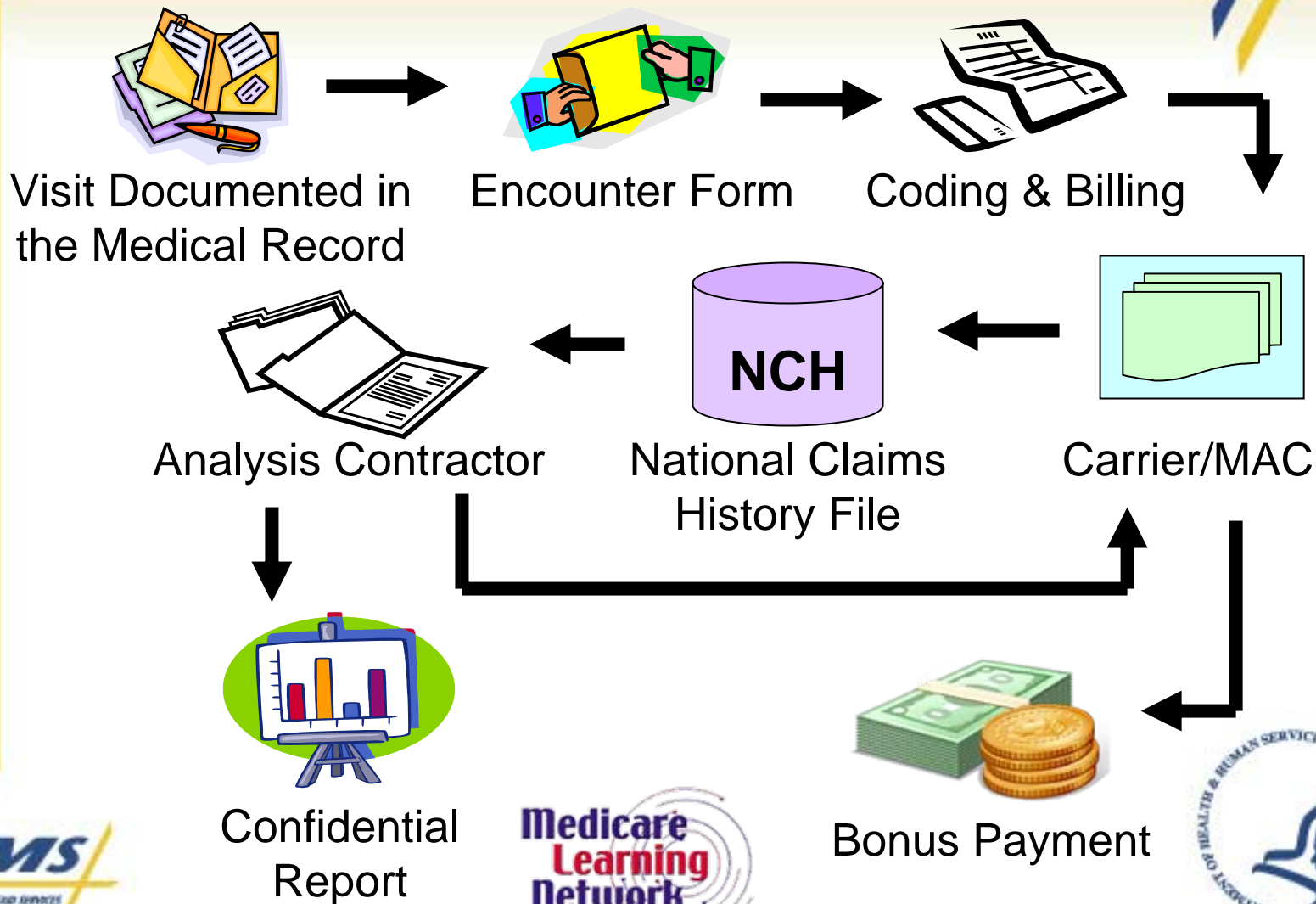
- Discuss measures and plan approach to capture quality data for reporting with team
- Determine what part each team member will play in the reporting process
- Assign responsibilities and provide education

PQRI Preparation Strategies

3. Modify Workflows and Billing Systems

- Walk through approach to determine what system changes will be required to capture quality data codes
- Consider using worksheets, encounter forms, screen templates, or other tools for data capture
- Discuss systems capabilities with practice management software vendors and third-party billing vendors/clearinghouses
- Test systems prior to the July 1, 2007 PQRI start date

Successful Quality Data Reporting



PQRI Participation Strategies

1. Reporting Quality Data
2. Understanding the Analysis of Satisfactory Reporting
3. Understanding the Bonus Payment Calculation

PQRI Participation Strategies:

1. Reporting Quality Data

- The measure specifications contain instructions for:
 - Identifying opportunities to report – *i.e.*, denominator ICD-9 and CPT Category I codes
 - Choosing quality data codes – *i.e.*, numerator CPT Category II codes (and temporary G codes, where CPT Category II codes have not yet been developed)
 - Using exclusion modifiers – *i.e.*, 1P, 2P, and 3P
 - Using “action not performed” modifier – *i.e.*, 8P
- Additional reporting instructions are under development and will be posted at:
www.cms.hhs.gov/PQRI, when available

PQRI Participation Strategies:

1. Reporting Quality Data

- CPT Category II codes may be reported on paper-based 1500 or electronic 837-P claims
- The CPT Category II code, which supplies the numerator, must be reported on the same claim form as the payment ICD-9 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 NPI of the participating professional must be properly used on the claim

PQRI Participation Strategies:

1. Reporting Quality Data

- Submitted charge field cannot be blank
 - Line item charge should be \$0.00
 - If system does not allow \$0.00 line item charge, use a small amount like \$0.01
- Entire claims with a zero charge are rejected
- Quality data code line items will be denied for payment but then passed through to the NCH file for PQRI analysis

Successful Reporting Scenario



Mr. Jones presents for office visit with Dr. Thomas



Mr. Jones has diagnosis of CAD

Situation 1:

Dr. Thomas documents that Mr. Jones is receiving antiplatelet therapy.

CPT II code 4011F*

Situation 2:

Dr. Thomas documents that antiplatelet therapy is contraindicated for Mr. Jones because he has a bleeding disorder.

CPT II code 4011F-1P modifier

Situation 3:

There is no documentation that Dr. Thomas or other eligible professional addressed antiplatelet therapy for Mr. Jones.

CPT II code 4011F-8P modifier

*Oral Antiplatelet Therapy Prescribed for Patients with Coronary Artery Disease
All of these situations represent successful 2007 PQRI reporting.

PQRI Participation Strategies:

2. Understanding Satisfactory Reporting Analysis

- Claims must reach the National Claims History (NCH) file by February 29, 2008 to be included in the analysis
 - Claims for services furnished toward the end of the reporting period should be filed promptly
- Claims that are resubmitted only to add CPT Category II codes will not be included in the analysis

PQRI Participation Strategies:

2. Understanding Satisfactory Reporting Analysis

- Analysis will be performed by individual NPI under each TIN
 - Participating professionals must have and correctly use their individual NPIs
 - The analysis required by statute requires that the individual providers be identified on the claims
 - Providers who bill to more than one TIN will have a separate analysis for each TIN
- Participating professionals must reach the 80% threshold
 - Consider reporting on more than 3 measures, if applicable, to maximize the likelihood of reaching the 80% threshold on 3

PQRI Participation Strategies:

2. Understanding Satisfactory Reporting Analysis

- Validation is required when only 1 or 2 measures are successfully reported to determine whether at least one other measure should have been reported
 - Participating professionals should consider validation before determining that only 1 or 2 measures are reportable for their practices
 - The validation plan will be posted at: www.cms.hhs.gov/PQRI, prior to the July 1, 2007 beginning of the reporting period

PQRI Participation Strategies:

3. Understanding Bonus Payment Calculation

- The potential 1.5% bonus is based on total allowed charges paid under the Physician Fee Schedule
 - Includes: patient portion, technical component, anesthesia services, drug administration, Railroad Retirement Board (RRB) charges
 - Excludes: laboratory services, drugs, HPSA bonuses, denied line items
- An nationally-applicable “completion factor” will be added to the charges for the services furnished during the reporting period prior to calculating the bonus payment to account for clean claims submitted by February 29, 2008 but not yet in the NCH file

PQRI Participation Strategies:

3. Understanding Bonus Payment Calculation

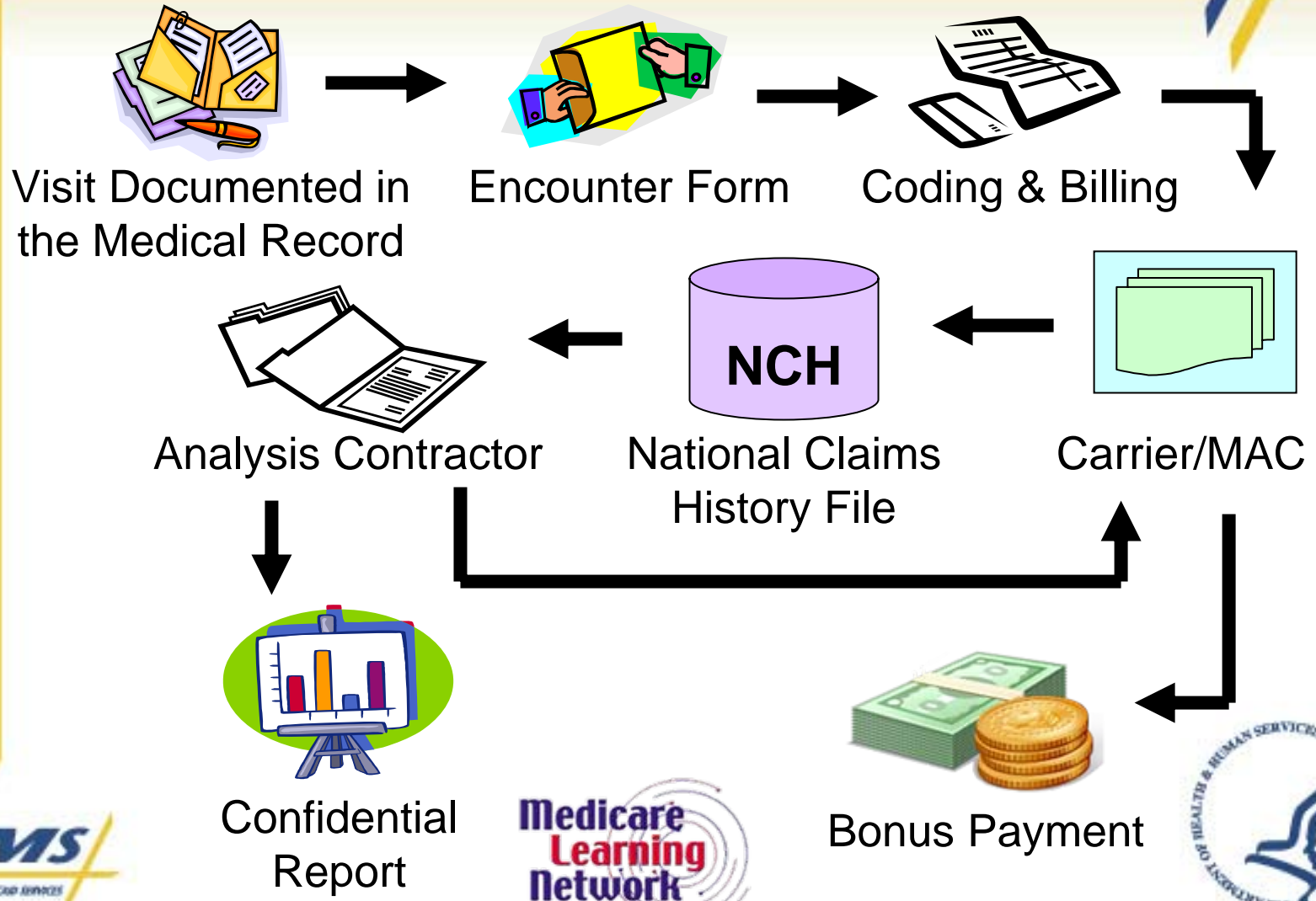
- Purpose of the cap
 - The cap is meant to encourage more instances of measure reporting
 - The cap also promotes rough equity between those who have reported relatively few instances and those who have reported many instances
 - Consider the cap when selecting measures to report, as more instances of reporting make the cap less likely to apply

PQRI Participation Strategies:

3. Understanding Bonus Payment Calculation

- All bonus payments will be made to the TIN holder of record
 - Ensure that your carrier/Medicare Administrative Contractor (MAC) has the accurate TIN for your claims
 - If a participating professional reports under more than one TIN, an analysis of successful reporting will be done under each TIN and any bonus earned will be paid to each TIN holder of record
- If payment has been assigned, then the payment will be made to the employer or facility
- CMS will provide an inquiry process for questions about reporting rates and bonus payment amounts

Successful Quality Data Reporting



PQRI Feedback Reports

- Confidential Feedback Reports
 - Individual participants' 2007 PQRI quality data will not be publicly reported
 - Reports will be available at or near the time of the bonus payments in 2008
 - No interim reports during 2007
 - Reports are expected to include reporting and performance rates by NPI for each TIN

PQRI 2008 Considerations

- Measures must be established through rulemaking
 - Proposed by August 15, 2007; finalized by November 15, 2007
- Statutory requirements for 2008 measures
 - Adopted or endorsed by a consensus organization, such as the AQA Alliance or National Quality Forum (NQF)
 - Include measures that have been submitted by a physician specialty
 - Used a consensus-based process for development
 - Include structural measures, such as the use of electronic health records or electronic prescribing technology

PQRI 2008 Considerations

- Registry-based reporting
 - Short lead time for implementation precludes using this channel for 2007 PQRI
 - CMS is working toward opening this channel for 2008 reporting
 - Standardized specifications for centralized reporting could reduce the burden of reporting for participants and CMS

PQRI Outreach & Education

- Engagement through communication
 - CMS PQRI website contains all publicly available information at: www.cms.hhs.gov/PQRI
 - Medicare Carrier/Medicare Administrative Contractor (MAC) inquiry management
 - Join the CMS provider listservs to receive notification
- Educational materials (e.g., FAQs) and tools (e.g., worksheets) will be posted as they are available

Most Frequently Asked PQRI Questions & Answers

- Q. Where can I get additional information about the PQRI?
- A. Go to: www.cms.hhs.gov/PQRI first. If necessary, then contact your Carrier/Medicare Administrative Contractor (MAC).
- Q. Do I have to register to participate in the PQRI?
- A. No. Simply begin submitting claims on July 1, 2007.
- Q. Do I need an individual NPI to participate in the PQRI?
- A. Yes. Analysis of satisfactory reporting and the bonus payment calculation will be done at the individual level, so your individual NPI must be used on the claim.
- Q. Do I have to agree to accept assignment on claims to participate in the PQRI?
- A. No. You must be an enrolled Medicare provider, but you need not have signed a Medicare participation agreement to accept assignment.

Most Frequently Asked PQRI Questions & Answers

- Q. Can professionals at FQHCs and RHCs participate?
- A. No. FQHCs and RHCs do not bill under the Physician Fee Schedule.
- Q. Can professionals at CAHs billing Method II, SNFs using consolidated billing, or Outpatient Facilities billing FIs participate in PQRI?
- A. No. There is no way to identify the individual professionals under these billing methods to complete the analysis of successful reporting and bonus payment calculations required by the statute.
- Q. Can CPT Category II quality codes be submitted separately from claims for payment?
- A. No. Quality codes must be submitted on the same claim as the ICD-9 and CPT Category I codes because the analysis of satisfactory reporting requires that both the numerator and denominator codes be present.

Most Frequently Asked PQRI Questions & Answers

- Q. Will claims resubmitted to include a CPT Category II quality code count toward satisfactory reporting?
- A. No. Claims that are resubmitted only to add a quality code will not be included in the analysis of satisfactory reporting.
- Q. Can more than one participating professional report quality codes on the same patient?
- A. Yes. Every participating professional who furnishes services for a patient may report according to the measure instructions.
- Q. If the measure instructions indicate that the measure is properly reported once during the reporting period, must a quality code be submitted on every claim that contains the denominator ICD-9 and CPT codes for that patient?
- A. No. The CPT Category II numerator code need only be reported once during the measurement period if that is what the instructions for that measure indicate.

Most Frequently Asked PQRI Questions & Answers

- Q. Will my patients have to pay a share of the PQRI bonus?
- A. No. There is no beneficiary co-insurance. Participating professionals cannot collect any payment from beneficiaries for quality reporting. Beneficiaries will receive a message on their Medicare Summary Notices (MSNs) indicating that they should not be charged for the quality data codes.
- Q. Will the number of PQRI participants in our group practice affect our analysis of satisfactory reporting?
- A. No. The analysis of satisfactory reporting will be done at the individual level by NPI.
- Q. Will my PQRI results be reported publicly?
- A. No. There will be no public reporting of individual PQRI data for 2007.
- Q. Is the potential PQRI bonus based only on the charges from claims that contain quality codes?
- A. No. The potential PQRI bonus is based on total allowed charges for covered professional services furnished during the reporting period and paid under the Physician Fee Schedule.