

Earn Extra Cash By E-Prescribing

Starting May 1, 2010, New York State Medicaid will pay both an eligible prescriber and pharmacy for a prescription dispensed pursuant to an e-prescription. Prescribers are eligible to receive \$0.80 per filled e-prescription, including up to five (5) refills. Pharmacies are eligible to receive \$0.20 per e-prescription filled. This Medicaid incentive payment is in addition to any available Medicare bonus incentive.¹

Who is eligible for the incentive?

- Any practitioner who is legally authorized to write prescriptions in New York State, has a National Provider Identification (“NPI”) number and is enrolled in Medicaid as a billing provider. (Because physician assistants and medical residents are not able to enroll in Medicaid as billing providers, they are not eligible to receive e-incentive payments directly.)
- Any pharmacy that is enrolled in Medicaid and has its NPI number on file with Medicaid, including an enrolled hospital-based outpatient retail or freestanding clinic-based retail pharmacy.
- A pharmacy may receive an incentive payment for filling an e-prescription from a non-enrolled prescriber, provided that the e-prescription meets all other requirements. We highlight that a non-enrolled prescriber is different from an excluded provider: if a prescriber has been excluded from Medicaid, then Medicaid will not pay for prescriptions ordered by that prescriber, and therefore, the e-prescription would not qualify for the incentive payment to the pharmacy.

What prescriptions count toward the e-incentive payments?

- An original prescription and up to five (5) refills that are filled within 180 days of the original prescription, each count towards the incentive payments to both the prescriber and the pharmacy.
- The e-prescription must be created electronically on the prescriber’s computer, encrypted, and transmitted electronically to the retail pharmacy’s computer in NCPDP Script standard version 8.1. Prescriptions transmitted or delivered, entirely or in part, by facsimiles or telephone are not considered to be e-prescriptions for purposes of the incentive program. For instance, if an e-prescription received by the pharmacy contains missing or incorrect information that must be clarified with the prescriber, the pharmacy only can identify the prescription as an e-prescription on its claim if the clarification is obtained electronically. Conversely, if the pharmacy clarifies the missing information over the telephone, then the pharmacy’s claim must be coded as a telephone order in the Prescription Origin Code field and the prescription may not count towards the incentive payment.

¹ Certain eligible prescribers may participate in the Medicare e-prescribing incentive program by reporting on their adoption and use of a qualified eRx system through submitting information on one eRx measure: (1) to CMS on their Medicare part B claims, (2) to a qualified registry, or (3) to CMS via a qualified electronic health record (EHR) product. In 2010, a prescriber may qualify for an incentive payment equal to 2.0 percent of his/her total estimated allowed charges (based on claims submitted by no later than February 28, 2011) for all covered professional services furnished during January 1, 2010 through December 31, 2010. In order to qualify for this payment, the prescriber must report the eRx measure for at least 25 unique reportable electronic prescribing events. Additionally, in 2010, a group practice may also qualify to earn an eRx incentive payment equal to 2% of the group practice’s total estimated Medicare Part B Physician Fee Schedule (PFS) allowed charges for covered professional services furnished based on the group practice meeting the criteria for successful electronic prescriber specified by CMS.

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- The prescription must contain the prescriber's individual NPI and all elements of a valid prescription,² including the prescriber's signature or electronic equivalent of the signature. Currently, Medicaid requires that the electronic software be certified by the Certifying Commission for Health Information Technology (CCHIT) or any other certifying organization recognized by the federal government. The "final electronic sign-off" using certified software is deemed to be the legal equivalent of a signature so long as access to the ability to sign off and transmit the prescription is limited to only the legally authorized prescriber and, at a minimum, is protected by a user name and password. For instance, while an agent of the prescriber can assist in preparing a draft of the prescription, the agent may not transmit the prescription; the authorized prescriber must submit and transmit the prescription (a.k.a., "final electronic sign-off").
- The prescribed item must be picked-up or delivered to the beneficiary within 14 days of being filled, otherwise the prescription is no longer valid for Medicaid purposes.
- Prescriptions for over-the-counter medication and pharmacy supplies do not count towards the incentive program.

How do you get paid?

- In order for Medicaid to know which prescriptions are e-prescriptions and to whom payment should be made, the pharmacy's claim submitted to Medicaid for e-prescriptions must include the number "3" (indicating that the prescription was electronic) in the NCPDP Prescription Origin Code field and must report the prescriber's NPI, in addition to the pharmacist's NPI on the claim.
- The Medicaid claim corresponding to the e-prescription must be paid by Medicaid to the pharmacy before the incentive payment can be applied. Denied pharmacy claims do not count towards the incentive payments for either the prescriber or the pharmacy.
- Payments are made to the individual prescriber at the address associated with the individual's NPI; Medicaid will not pay the incentive to a group, practice or facility. Therefore, the NPI group, practice or facility may not be used with e-prescriptions.
- Incentives will be paid in quarterly bundled payments.

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For more information on either the Medicare or Medicaid e-prescribing, please contact the GW attorney with whom you regularly consult.

² The requirements for a valid prescription are set forth in the New York State Education Law Section 6810.

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