



Allscripts ePrescribe™

Medicare Improvements for Patients and Providers Act of 2008 (MIPPA) Frequently Asked Questions

1. What is the news?

On July 15th, 2008, the U.S. Congress was successful in overriding President Bush's veto and has passed into law, HR 6331, the Medicare Improvements for Patients and Providers Act of 2008.

2. What are the benefits of this bill for physicians?

This measure prevents physician's proposed 10.6 percent cut in their reimbursement rates when treating Medicare patients. As a result of the new law, the mid-year 2008 Medicare Physician Fee Schedule (MPFS) rate reduction of -10.6 percent is retroactively replaced with fee schedule rates in effect from January – June, 2008, which reflected a 0.5 percent update from 2007 rates. In addition, MPFS payment rates are being revised to increase the fee schedule amounts for certain mental health services.

Additionally, Section 132 of the law also provides financial incentives for physicians to use electronic prescribing as early as January 1, 2009 and requires adoption or imposes a penalty by 2012.

For a copy of the complete law, visit:

http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=110_cong_bills&docid=f:h6331eh.txt.pdf

3. Why is it so significant?

This is significant because it is the first time that the Federal Government – the biggest purchaser of healthcare in the market through Medicare/Medicaid - will use their leverage in the market to help drive the use of technology.

Through Medicare/Medicaid, the government pays roughly 40 percent of the \$2.2 trillion annual bill for healthcare in the U.S. HHS Secretary Mike Leavitt predicts that Medicare could avoid up to \$156 million over five years in costs from adverse drug effects by getting physicians to adopt electronic prescribing tools.

4. What does it mean for electronic prescribing?

It's now a stated provision within the Medicare Law that physicians will receive incentives to electronically prescribe.

Additionally, physicians who do not use the technology would see their payments cut by 1 percent in 2012, up to a maximum of up to 2 percent for 2013 and beyond. The bill allows for some exceptions to the rule for provider hardship.



Percent of annual Medicare pay:

	Incentive	Penalty
2009	2%	None
2010	2%	None
2011	1%	None
2012	1%	1%
2013	0.5%	1.5%
Beyond	None	2%

Source: The Medicare Improvements for Patients and Providers Act of 2008

Further, the fee reduction is prospective – providers will have to be electronically prescribing by a date sometime in 2010 (still to be determined) to be sure their fees are not reduced in 2012.

5. How does an organization determine how much revenue a practice can earn with these incentives?

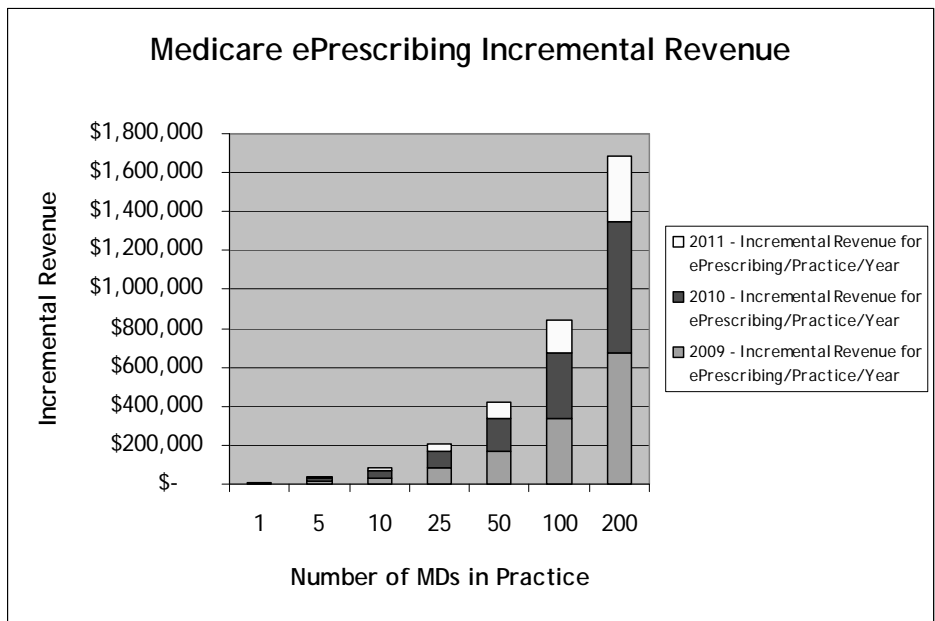
We have formulated the following calculation based upon input from several of our physician clients. Organizations can extrapolate the data from here to fit their practice models:

Patients Per Day	24
% of Practice = Medicare	33
= Medicare Pts/Day	8
@ Revenue per Patient	\$85
X Practice Days/Year	250
= Current Medicare Revenue/Year	\$170,000
% Increase with ePrescribing in 2009	2
Incremental Revenue gain per MD/Year	\$3,400



6. How does that work for large groups?

The incremental revenue for a group is going to vary by size, but for the purposes of modeling below is an example of a 3-year ROI for a 5-physician group. The potential revenue gain is approximately \$50,000. For a 100 MD group, the potential revenue gain could be over \$1,000,000.



7. How will physician’s electronic prescribing compliance be reported to CMS? What must prescribers do to receive the reimbursement?

CMS has not yet made the information available. We will make this information available to you after we receive final guidelines from CMS. The terms of the incentives program will be outlined in Medicare’s final rule on the 2009 physician-fee schedule this fall.

8. When will CMS be issuing issue more detailed information?

CMS is holding an ePrescribing Educational Conference on October 6-7 in Boston. HHS Secretary Mike Leavitt and CMS Administrator Kerry Weems will be keynoting the conference. The conference will serve to educate affected constituencies on the MIPPA program and CMS’ plans for implementation.

The goals of the conference are as follows:

- Equip health care professionals and other stakeholders with the knowledge and the tools to integrate ePrescribing into their business model
- Generate discussion about the use of ePrescribing and other e-health initiatives to increase patient compliance and overall improved health outcomes
- Educate health care professionals about the structure and the agency’s plans for implementation of the incentive payment structure in regard to ePrescribing and PQRI (Physician Quality Reporting Initiative)
- Identify and promote opportunities to overcome barriers to adoption of this new technology
- Address constituent concerns about privacy, security and risk management in regard to the implementation of this new provision

Allscripts will be both attending and exhibiting at this conference in the ePrescribing Solutions Center. We will provide a revised list of FAQs and will host another webcast following the conference.



Keep checking the www.allscripts.com and www.nationaleRx.com websites for updates.

Additionally, you can check the CMS website for updated information: <http://www.cms.hhs.gov/EPrescribing/>

9. What is the 2 percent based upon? Is it 2 percent in addition to a practice's current reimbursement rate?

It is based from current fees and it is incremental.

10. Do you know if there will be a push to get all pharmacies to ePrescribe? There are still many mail order pharmacies that do not.?

SureScripts-RxHub currently has an initiative in the pharmacy community www.getRxconnected.com. Allscripts is listed as a supplier of certified technology solutions on this site and this group is currently working with major mail order pharmacies to get them on board. We anticipate that with the passing of this law more mail order pharmacies will be connecting quickly to accommodate physicians and patients.

11. Do the new government actions affect Medicaid Services as well? Will providers who e-prescribe for Medicaid patients get the same 2 percent incentive and how will the incentive get paid to providers?

We expect other payers to follow the governments lead in supporting e-prescribing and we will continue to investigate and keep interested organizations advised of any developments.

12. How are these incentives applied?

We anticipate that these incentives will be applied as an increase in the reimbursable amount for the services covered under Medicare.

13. Will these incentives apply to clinics with groups of physicians or just to private practice physicians?

It is our understanding that any physician using electronic prescribing in an ambulatory setting will qualify for these incentives. More specific information will be available after the conference in October.

14. Will these incentives apply to hospitals and/or emergency departments that are billing for hospital employed physician services?

It applies to physicians, not hospitals; however, we anticipate that CMS will issue more specific guidelines for physicians seeing a patient in the hospital in an outpatient setting.

15. What are the exceptions to the rule for payments being cut in 2012?

CMS has not yet made the information available. The terms of the incentives program will be outlined in Medicare's final rule on the 2009 physician-fee schedule this fall.

16. Will physicians be eligible for the incentives if their prescriptions are electronically faxed to the pharmacy via their EHR?

CMS has not yet made the information available. The terms of the incentives program will be outlined in Medicare's final rule on the 2009 physician-fee schedule this fall.



17. How is the PQRI (Physician Quality Reporting Initiative) part of this incentive to e-prescribe?

On January 1, 2009, the ePrescribing incentive will be a stand alone incentive program -- after December 31, 2008 the ePrescribing measure will not be part of PQRI.

For additional information about PQRI requirements, visit:

http://www.cms.hhs.gov/PQRI/05_StatuteRegulationsProgramInstructions.asp#TopOfPage

18. If a practice adopts an EHR (Electronic Health Record) next year, can it implement electronic prescribing now before it is fully operational and transfer the data to that EHR?

That depends on the choice of technology vendor. For example, if the practice has selected Allscripts ePrescribe™ for free as part of the National ePrescribing Patient Safety Initiative™ (NEPSI™), or has selected ePrescribe through a sponsoring hospital's branded ePrescribe Enterprise Edition offering, and it wanted to transfer that data to an Allscripts EHR next year, the data can be seamlessly transferred. The practice would have to check with its vendor for more information on their specific data transfer policy.

19. For current Allscripts Enterprise or Professional EHR clients, how do they get connected now?

Current clients should contact the Support Desk for their specific solution and they will be connected quickly.

20. Where can a practice get started electronically prescribing right now?

The practice should either visit the National ePrescribing Patient Safety Initiative (NEPSI) website at www.nationaleRx.com where they can sign up today for the free application, or contact their local hospital for information about participating in the hospital's branded ePrescribe Enterprise Edition offering – often accessible from the hospital's physician portal, and potentially offering single-sign-on and additional interfaces.

21. For participation in a hospitals' branded ePrescribe Enterprise Edition offering, what is the cost to the physician?

Hospitals can provide e-prescribing to area practices for a fee or via a donation percentage under Stark Law and Anti-Kickback reforms for up to 100% of the solution cost.

22. Will a practice have to pay to get its patient data imported?

Allscripts has several options for inputting a practice's patient data. Practices can import all their patients automatically by choosing the free patient import feature or they can purchase an interface for a nominal fee.

23. Where can organizations get more information?

Interested organizations can keep checking www.allscripts.com and www.nationalerx.com for updated information.

Additionally, organizations can visit the government websites at:

Medicare ePrescribing: <http://www.cms.hhs.gov/EPrescribing/>

PQRI Reporting: <http://www.cms.hhs.gov/pqri>