PQRS - Double Standard

The Physician Quality Reporting System, Eligible Professionals, and You

In the 2016 Medicare Physician Fee Schedule, CMS sought to clarify the definition of "eligible professionals" or EPs for purposes of the Physician Quality Reporting System (or PQRS) initiative. RHC services were clearly exempt from the PQRS initiative but the regulations were unclear as to whether services provided by EPs outside the RHC benefit (submitted via a 1500 claim form) would still be subject to the PQRS initiative. To address this uncertainty, CMS wrote that "EPs who practice in RHCs and/or FQHCs would not be subject to the PQRS payment adjustment."

At first glance, this was a welcome clarification for the RHC community. However, we were receiving reports from RHCs that they were nevertheless receiving PQRS paperwork and being subject to the PQRS payment adjustments. In response, we decided to investigate the discrepancy to see why certain RHCs were seemingly still subject to PQRS. Unfortunately, the results of our investigation revealed that PQRS eligibility is still going to be an issue that we need to solve. The good news is that we found out what the problem is. The bad news is that we will need CMS to change their processes to fix it.

The problem is that CMS uses the Tax ID number (TIN) or Employer ID number (EIN) on the 1500 form to identify whether or not PQRS should apply to any given claim. Independent RHCs, that have their own TIN/EIN should not have any problems, CMS will properly recognize that the claim is being billed by an RHC for a non-RHC service. Provider-based RHCs, on the other hand, do not have their own TIN/EIN and therefore CMS does not exempt their claims from PQRS as it should. As a result of CMS processes, we have a double standard.

In the National Association for Rural Health Clinic's comments on the Medicare Physician Fee Schedule, we highlighted this problem to CMS and proposed a potential solution. Our solution would involve a modifier code for all Rural Health Clinics to add to their 1500 forms. Such a modifier would allow CMS to properly exempt all EPs that work in RHCs, both provider-based and independent, from PQRS reporting and adjustments as intended. We also argued that such a modifier code may be a useful policy tool as it gives CMS a method to target all non-RHC Part B services performed by Rural Health Clinics.

We have urged CMS to fix this problem in a timely manner. In the meantime, the NARHC will continue to press CMS for a fix, and we will update the RHC community on this issue as soon as we can.

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