

Part B Insider (Multispecialty) Coding Alert

QUALITY REPORTING: Why You Could Do Everything Right And Still Not Receive The 1.5-Percent Bonus

The PQRI "cap" may force you to report more services

As paltry as the 1.5-percent bonus for participating in Medicare's quality reporting program seems, even that amount isn't guaranteed to spotless participants.

The catch: You receive an extra 1.5 percent of all your billings if you report up to three quality measures per claim, at least 80 percent of the time when those quality measures apply. But Medicare will apply a -cap- that will reduce the 1.5-percent bonus if you only reported relatively few measures, officials from the **Centers for Medicare & Medicaid Services** (CMS) said in a March 27 provider call.

In other words, you could report your applicable measures 100 percent of the time, and still not receive an extra 1.5 percent of everything you billed from July through December, CMS officials explained.

How it works: You add up every single quality measure you report and multiply that number by three. Then you multiply that by the national charges associated quality reporting, divided by the national average charge per quality indicator.

If all providers nationwide charged Medicare \$100 million for services associated with quality measures, and they reported 1 million quality indicators, then you would divide the first number by the second number and arrive at a national average of \$100 per quality indicator. You would multiply that number by 3, and then by your number of quality reporting. So every time you reported a quality measure, your individual cap would increase by \$300.

Once your cap is greater than 1.5 percent of your total Medicare billings from July to December, you will receive the full 1.5 percent bonus as long as you meet the other requirements, CMS officials explained.

There are two reasons for this cap, according to CMS officials:

- 1) It encourages you to report more measures, just to be sure of reaching the cap.
- 2) Say there are two different providers who have similar patient populations. If one provider chooses to report on measures that only come up a few dozen times and the other provider chooses to report on measures that come up hundreds of times, it's not fair that they both receive the same bonus. So this cap makes the system fairer.

Bottom line: If your patients are eligible for more than three measures, you should probably go ahead and report more than three measures. That way, you not only improve your chances of getting over the -cap,- but you also are more likely to report on measures at least 80 percent of the time, CMS officials pointed out.