

Why GAO Did This Study

Congress established two CMS-administered programs—the Electronic Prescribing Program and the Electronic Health Records (EHR) Program—that provide incentive payments to eligible Medicare providers who adopt and use health information technology, and penalties for those who do not. The Medicare Improvements for Patients and Providers Act of 2008 required GAO to report on the Electronic Prescribing Program. To do so, GAO examined how CMS determines which providers receive incentive payments and avoid penalties from that program and how many providers received incentive payments in 2009. Also, GAO was asked to examine how the requirements of the two programs compare. GAO reviewed relevant laws and regulations, interviewed CMS officials, and analyzed CMS data on incentive payments made for 2009, which were the most recent data available for a full year.

What GAO Recommends

GAO is recommending that the CMS Administrator take four actions, including (1) encourage physicians and other providers in the Electronic Prescribing Program to adopt certified technology and (2) expedite efforts to remove the overlap in reporting requirements for physicians who may be eligible for incentive payments or subject to penalties under both programs. CMS generally agreed with three recommendations and disagreed with a fourth recommendation, which GAO clarified based on CMS's comments.

View [GAO-11-159](#) or key components.
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ELECTRONIC PRESCRIBING

CMS Should Address Inconsistencies in Its Two Incentive Programs That Encourage the Use of Health Information Technology

What GAO Found

CMS analyzes information reported by eligible providers on their Medicare Part B claims—which are used to submit charges for covered services—to determine which Medicare providers should receive Electronic Prescribing Program incentive payments or be subject to penalties. In 2009—the first year the program provided incentive payments—CMS paid approximately \$148 million in incentive payments to about 8 percent of the approximately 600,000 Medicare providers who had an applicable patient visit—that is, supplied 1 of 33 CMS-designated services typically provided in the office or outpatient setting. For 2009, CMS examined Part B claims to determine whether, after each applicable patient visit, providers marked any one of three electronic prescribing reporting codes used to report information on the adoption and use of electronic prescribing systems. To receive an incentive payment that year, the provider had to report the codes for at least 50 percent of applicable patient visits, and at least 10 percent of the provider's total allowed Medicare Part B charges for the year had to be from the applicable patient visits. CMS made changes in the reporting requirements for 2010. For example, the agency reduced the number of reporting codes to one and required that individual providers report the code after at least 25 applicable visits, instead of for 50 percent of applicable visits. From 2012 through 2014, the Electronic Prescribing Program will assess penalties on providers that do not adopt and use electronic prescribing. Individual providers will have to submit the electronic prescribing reporting code at least 10 times in the first 6 months of 2011 to avoid penalties in 2012.

Although GAO found similarities in the technology and reporting requirements for both programs, GAO also found that the requirements of the two programs are inconsistent in several areas. The EHR Program provides incentives from 2011 to 2016 and introduces penalties beginning in 2015, while the Electronic Prescribing Program provides incentives from 2009 to 2013 and provides for penalties from 2012 to 2014, when the program ends. Both the EHR and Electronic Prescribing Programs require providers to adopt and use technology that can perform similar electronic prescribing-related activities. However, the EHR Program requires providers to adopt and use certified EHR systems that meet criteria established by HHS, which include electronic prescribing-related capabilities, while the Electronic Prescribing Program does not have a certification requirement. As a result, providers have no assurance that the systems they invest in will meet the Electronic Prescribing Program's requirements. Additionally, the two programs have established separate reporting requirements related to electronic prescribing, potentially requiring physicians—the largest and only group of providers eligible to earn incentive payments in both programs—to report to both programs from 2011 through 2014. CMS recognizes that this duplication places additional burden on physicians; however, CMS is still in the process of developing a strategy to address this duplication.