



Client Alert

Contact Attorney Regarding
This Matter:

Meredith A. Mlynar
404.873.8164 - direct
404.873.8165 - fax
meredith.mlynar@agg.com

Arnall Golden Gregory LLP
Attorneys at Law
171 17th Street NW
Suite 2100
Atlanta, GA 30363-1031
404.873.8500
www.agg.com

Medicare Implements Monetary Incentives and Penalties for E-Prescribing

Closely tied to its Quality Reporting Measures and push toward an electronic health record, Medicare has announced a new program to incentivize physicians to adopt e-prescribing mechanisms. Medicare estimates a cost-savings of up to \$156M over the five years attributed to avoiding adverse drug events. Currently, the Institute of Medicine estimates that more than 1.5M Americans each year are injured by drug errors.

Beginning in 2009 and for a period of four years, Medicare will provide will provide an incentive payment for eligible successful electronic prescribers. Starting in 2009, this payment will be 2% through 2010. In 2011 and 2012, that payment will be 1%, and in 2013, it will be reduced to .5%. Eligible professionals who are not successfully e-prescribing by 2012 will receive a reduction in payment. Some exemptions may be granted on a case-by-case basis, if Medicare determines that compliance with the e-prescribing requirements would result in significant hardship to the physician. For more information, please [click here](#) or contact [Ms. Mlynar](#).

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