

Thirteen Things Health Care Professionals Need to Know about EHR Incentives

Claire Cowart Haltom, 615.726.7322, chaltom@bakerdonelson.com

The health industry is abuzz over the federal government offering financial incentives to providers who implement electronic health records (EHR) systems. Back in February 2009, Congress passed the Health Information Technology for Economic and Clinical Health (HITECH) Act with the goal of expediting the implementation and meaningful use of EHRs. Under HITECH, eligible health care professionals and hospitals can qualify for Medicare and Medicaid incentive payments when they adopt certified EHR technology for meaningful use.

Now that the meaningful use guidelines have been released, health care professionals are chomping at the bit to get their portion of \$27 billion in federal incentive payments for EHR implementation. Here are thirteen things health care professionals should consider before taking advantage of the EHR incentive payments.

1 Significant Incentives for EHR Implementation are Available. The Medicare EHR Incentives Program is offering up to \$44,000 in financial incentives for each Eligible Provider who implements an EHR system. The Medicaid EHR Incentives Program is offering up to \$63,750 in financial incentives for each Eligible Provider who implements an EHR system. Incentives are available to both new and existing EHR users.

2 Not Limited to Physicians. Eligible Providers under the Medicare program include physicians (MDs and DOs), dentists, podiatrists, optometrists, and chiropractors. Eligible Providers under the Medicaid Incentives Program include physicians, dentists, certified nurse midwives, nurse practitioners, and physician assistants practicing in rural health clinics or at Federally Qualified Health Centers led by a physician assistant.

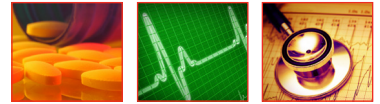
3 Providers Must Choose One Program. Eligible Providers must choose to participate in either the Medicare Incentive Program or the Medicaid Incentive Program. The Medicare Incentive Program is based on 75 percent of a provider's Medicare Part B allowable charges. The Medicaid Incentive Program requires 30 percent of your patients to be Medicaid patients. The regulations allow Eligible Providers to switch programs once.

4 Early Adoption Pays. Under the Medicare Incentives Program, Eligible Providers who adopt EHR systems before 2013 are eligible for up to \$44,000 over five years. Providers adopting EHR in 2013 are only eligible for incentives up to \$39,000. Those adopting in 2014 are eligible for up to \$24,000. Incentives are no longer available under the Medicare Program in 2015.

5 Medicare Penalties Begin in 2015. Beginning in 2015, those Medicare providers who have not implemented EHR systems will begin to see fee schedule reductions of one percent. In 2016, the fee schedule reduction increases to two percent and three percent in 2017. The fee schedule reductions could be as high as five percent by 2019. The Medicaid Incentives Program does not include fee schedule reductions.

6 Medicaid Incentives are Available for a Longer Period of Time. Eligible Providers adopting EHR systems under the Medicaid Program are eligible for the \$63,750 in incentives as long as they implement before the end of 2016. The incentive payments are spread out over six years.

continued



Thirteen Things Health Care Professionals Need to Know about EHR Incentives

7 Your EHR System Must be Certified. In order to be eligible for the Medicare or Medicaid Incentives, your EHR system must be certified. To date, the only two organizations approved to certify EHR systems are the Certification Commission for Health Information Technology (CCHIT) and the Drummond Group Inc. (DGI). There is no grandfathering for existing EHR systems. Existing systems must be certified under the guidelines set forth by CCHIT or DGI just like new systems. For a list of certified EHR systems, [click here](#).

8 You Must be a Meaningful User of EHR. The Medicare Incentives Program requires Eligible Providers to demonstrate Meaningful Use in the first year of implementation. The Medicaid Program allows Eligible Providers to delay demonstrating Meaningful Use to their second year if they can demonstrate that they were adopting, implementing, or upgrading their EHR system in the first year.

9 You Must Demonstrate Meaningful Use. Eligible Providers must meet 20 functionality measures to demonstrate meaningful use. For Stage 1, all Eligible Providers must meet 15 core measures that comprise basic functions of EHR systems. In addition, the Eligible Provider may choose five additional measures from a menu set of 10 measures. Eligible Providers must provide CMS with an attestation that they have met these 20 HIT functionality measures. For a list of the functionality measures, [click here](#).

10 Reporting Requirements. In addition to meeting the 20 HIT functionality measures, Eligible Providers must report six clinical quality measures to CMS electronically using their certified EHR technology. All Eligible Providers must report on blood pressure measurement, tobacco use assessment and tobacco cessation intervention, and adult weight screening and follow-up. Eligible Providers may then choose three additional measures from a list of 44 to report to CMS as applicable to their practice. Exemptions from the three Core Reporting Measures may exist for specific specialties.

11 Meaningful Use Requirements Apply to All Patients, Not Just Medicare/Medicaid Patients. Eligible Providers taking advantage of the EHR Incentives Program must meet the 20 HIT functionality measures and the reporting requirements for all of their patients, not just those patients enrolled in the Medicare or Medicaid Program. CMS hopes this requirement will promote the rapid advancement of EHR systems.

12 When Will You See Your Money? Both Medicare and Medicaid eligible professionals will receive a single, consolidated, annual incentive payment. Medicare Eligible Providers will be paid electronically through a single payment contractor. Medicaid Eligible Providers will receive payment from either the State Medicaid agency or their designated intermediary (i.e., a Medicaid HMO). The payments will be distributed on a rolling basis, so as soon as you attest and reach the threshold, you will get the payment. Medicare Providers who start in January 1, 2011, and bill enough to hit the cap by March 31, 2011, could receive their first payment as early as May 2011.

13 Should You Participate in the eRX program, the PQRI program, and the EHR Incentives Program? Eligible Providers may participate in both the PQRI and EHR Incentives Programs. However, Eligible Providers must choose between the eRX program and the EHR Incentives Program as participation in both is not allowed.

Baker Donelson's Health Law group is consistently ranked as one of the top in the nation, representing leading hospitals and health systems, academic medical centers, medical device manufacturers, pharmaceutical companies, physician organizations, payors and specialty care providers. Our professionals recognize the sheer scope and complexity of the changes effected by health care reform and welcome the opportunity to help your organization navigate these uncharted waters. For more information, visit www.bakerdonelson.com/healthreform.