

Adoption of Health Information Technology

Physician Incentives — as described in the American

Recovery and Reinvestment Act of 2009. *Rev. Jul 13, 2010*



Page 1: [Payment Incentives, Medicare Penalties, Other Incentives](#)

Page 2: [Eligibility, Definitions](#)

PAYMENT INCENTIVES

Physicians must choose between Medicare and Medicaid incentives

Medicare

Beginning with professional services provided in 2011, physicians who adopt and use electronic health records (EHRs) to improve care may receive to *up to \$44,000 over five years if they have at least \$24,000 in Medicare allowed charges per year.*

Incentive payments would be equal to 75% of the allowed charges for all covered professional services furnished each year up to a maximum payment as shown in the following table:

Year of Services	MAXIMUM MEDICARE INCENTIVE				
	First Year of Meaningful Use of EHR				
	2011	2012	2013	2014	2015*
2011	\$18,000	-----	-----	-----	-----
2012	\$12,000	\$18,000	-----	-----	-----
2013	\$8,000	\$12,000	\$15,000	-----	-----
2014	\$4,000	\$8,000	\$12,000	\$12,000	-----
2015	\$2,000	\$4,000	\$8,000	\$8,000	\$0
2016	-----	\$2,000	\$4,000	\$4,000	\$0
Total Max	\$44,000	\$44,000	\$39,000	\$24,000	\$0

**There will be no incentive payments for those who reach meaningful use after 2014 and penalties will begin in 2015*

Eligible professionals predominantly furnishing services in a health professional shortage area will be eligible for an additional 10% maximum incentive payment each year.

Medicare Penalties

If the eligible professional has not demonstrated “meaningful use” of their EHR by 2015, the fee schedule for furnished services will be reduced by 1% each year beginning in 2015, to a maximum reduction of 3%. Hardship exceptions may apply.

Medicaid

Beginning in 2011, states will pay eligible Medicaid providers up to \$63,750 (reduced by payments from any other sources) for certified EHR technology and support services including maintenance and training necessary for adoption and operation. Incentives *may not exceed:*

- 1) Year 1: \$ 21,500. per provider
- 2) Subsequent Years: \$8,500 per provider, for up to five years, *but no later than 2021.*

If a provider *has completed adopting*, implementing, or upgrading such technology prior to the first year of payment, #1 & #2 above will still apply.

This translates to a maximum payment of:

MAXIMUM MEDICAID INCENTIVE						
Year 1 2011-2016	Year 2	Year 3	Year 4	Year 5	Year 6	Total Max
\$21,250	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500	\$63,750

Please ask your *HealthInsight* representative about your specific incentive amount if you received payments for EHR technology or support services from other sources. Otherwise, the maximum incentives above apply.

There will be no incentive payments after 2021.

OTHER INCENTIVES

- 1) All Medicare providers who become meaningful users of an EHR will be recognized on the CMS website.
- 2) Low cost loans and grants may be available for purchase of hardware, software, and implementation.
- 3) Assistance with selection, adoption, and workflow re-design will be provided by the Health Information Technology Regional Extension Center

For information see www.healthinsight.org, or contact *HealthInsight* by phone, 1-800-483-0932,

fax 877-335-2490 or email rec@healthinsight.org.

ELIGIBILITY

Medicare

To be eligible for the payment incentives, providers must:

- 1) Use a certified EHR in a *meaningful** manner;
- 2) *Exchange** health information to improve the quality of care; and
- 3) *Report** on clinical quality measures.
- 4) Meet these requirements by the 2014 payment year, although those ready by 2011-2012 will earn the most
- 5) Be a practicing MD, DO, DDS, DMD, DPM, OD, or Chiropractor

*See definitions below

Medicare Advantage (MA)-Affiliated Physicians: Physicians employed by a MA organization are eligible if the organization attests that they are meaningful EHR users. A contracted physician is eligible if he/she furnishes at least 80% of the entity's Medicare patient care services; at least 80% of his/her services are provided to the entity's enrollees; and provides at least 20 hours per week of patient care service.

Medicaid

To be eligible for the payment incentives, providers must:

- 1) Be an *eligible professional** that is not hospital-based and has at least 30% of patient volume attributable to Medicaid; or
- 2) Be a pediatrician, who is not hospital-based and at least 20% of the volume is attributable to Medicaid (These physicians will be eligible for two-thirds of the indicated payments); or
- 3) Practice predominantly in a Federally Qualified Health Center (FQHC) or Rural Health Center (RHC) and have at least 30% of patient volume attributable to *needy individuals**

To receive Medicaid incentives in the initial year, an EP only needs to demonstrate that they have engaged in efforts to "adopt, implement, or upgrade certified EHR technology" but by the second year they need to show *meaningful use** of the EHR.

*See definitions below.

DEFINITIONS

Meaningful Use of Certified EHR Technology: The eligible professional *demonstrates* that he/she is using certified EHR technology in a meaningful manner (see HealthInsight's [What is Meaningful Use](#) document), which includes the use of electronic prescribing.

Demonstration of "Meaningful Use"

A professional may satisfy the demonstration requirement through means specified by the Secretary, which *may* include:

- 1) An attestation
- 2) The submission of claims with appropriate coding
- 3) A survey response
- 4) Reporting on clinical quality measures using an EHR
- 5) Other means specified by the Secretary

Note: The Secretary may not require the electronic reporting of information on clinical quality measures unless the Secretary has the capacity to accept the information electronically, which may be on a pilot basis.

Program Registration

To be eligible, all providers must meet the following registration requirements:

- Register via the EHR Incentive Program website (registration will be available early 2011)
- Be enrolled in Medicare FFS, MA, or Medicaid (FFS or managed care)
- Have a National Provider Identifier (NPI)
- Be enrolled in PECOS (Medicare providers only)

MEDICAID SPECIFIC DEFINITIONS

Eligible Professional:

- 1) Physician
- 2) Dentist
- 3) Certified nurse mid-wife
- 4) Nurse practitioner
- 5) Physician assistant practicing in a rural health clinic that is led by a physician assistant, or is practicing in a FQHC

Needy Individual

- 1) Receives Medicaid
- 2) Receives assistance under Title XXI (SCHIP)
- 3) Furnished uncompensated care by the provider
- 4) Charged a reduced rate based on ability to pay

