

Shopping for an Electronic Health Record: Your Guide to Understanding the 2009 American Recovery and Reinvestment Act

The 2009 American Recovery and Reinvestment Act (ARRA) is the \$800 billion economic and stimulus package that was introduced in Congress as H.R. 1, and signed into law in February 2009. The act contains several health information technology provisions with implications for physician practices, including billions of dollars in incentive payments from the Centers for Medicare and Medicaid Services (CMS) earmarked for broader adoption and deployment of electronic health records.

Does my practice qualify for the incentives outlined in the bill?

Under the Medicare program, office-based medical doctors, optometrists, podiatrists, chiropractors, osteopathic physicians and dentists treating Medicare patients may be eligible to receive the incentive payments by showing “meaningful use” of a “certified EHR”. Under the Medicaid program, eligibility includes physicians, nurse practitioners, certified nurse midwives, dentists, and physician assistants working in FQHCs or in rural health clinics treating Medicaid patients.

What is the definition of “meaningful use”?

Meaningful use will be defined by CMS in three stages. The first stage, which was published in a final rule by the Office of the National Coordinator (ONC) and CMS in July 2010, encompasses 15 required core objectives, and a menu of 10 additional discretionary objectives, from which providers may choose five. Stage 1 criteria focus on electronically capturing health information in a structured format, using that information to track key clinical conditions, communicating that information for care coordination purposes, implementing clinical decision support tools to facilitate disease management, and initiating the reporting of clinical quality measures and public health information. Examples include e-prescribing, laboratory and immunization reporting, clinical care summaries (i.e. – medication and allergy lists, etc.) and electronic claims submission. Eligible providers must use an EHR that meets these criteria to receive the Medicare/Medicaid incentives. Stage 1 meaningful use criteria are applicable in 2011 and 2012. CMS will define the criteria for the Stage 2 (2013) and Stage 3 (2015) adoption periods in the year prior to when the new stages are scheduled to take effect. It is anticipated that criteria will become progressively stricter and more extensive.

Will NueMD[®] be certified according to the government standards?

Yes. Nuesoft includes language in our contracts that explains that Nuesoft will seek certification as it is defined by the ONC.

How will my practice prove meaningful use?

In 2011, all of the results for all objectives/measures, including clinical quality measures would be reported by eligible professionals to CMS, (or to the states for Medicaid providers), through attestation. Beginning in 2012, CMS is expected to require the direct submission of clinical quality measures through certified EHR technology.

How can my practice register for the program?

Eligible providers can register for either the Medicare or Medicaid program beginning in January 2011 via a link on the incentive program page of the CMS website: http://www.cms.gov/ehrincentiveprograms/01_overview.asp

How an Electronic Health Record Can Help Your Practice

- Produce more accurate data in patient records
- Decrease or eliminate transcription costs
- Decrease office supply/ administrative expenditures
- Improve accessibility to records
- Prevent unauthorized chart access and track chart access
- Improve office flow and decrease administrative costs
- Aid faster reimbursement
- Improve patient care/adherence to health maintenance
- Decrease patient wait times

Resources

American Recovery and Reinvestment Act of 2009, Part VI, Title IV, §.4101, 4104, 4201; Title XIII.

American Health Information Management Association

American Medical Association

Centers for Medicare and Medicaid Services, “Medicare and Medicaid Incentive NPRM: Implementing the ARRA of 2009.”, http://www.mag.org/pdfs/ehr_hitech_presentation_022310.pdf

Medical Group Management Association

Journal of Healthcare Information Management – Vol. 20, No. 1, pp. 42-52, Winter 2006.

New England Journal of Medicine – Vol. 10.1056, July 22, 2010., <http://content.nejm.org/cgi/reprint/NEJMp1006114.pdf?source=hrc>

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When can eligible providers begin to receive the incentive payments?

Under the Medicare provision – In the first year of adoption, eligible providers must be using an EHR in a meaningful manner for a minimum of 90 days to qualify for incentives. In subsequent years, the EHR must be used in a meaningful manner for the entire year. CMS defines the “payment year” for eligible professionals as the calendar year. The qualifying period under the Medicare program will begin in January 2011 for eligible providers, and payments will begin in May 2011.

Under the Medicaid provision – Payments will be available on a state by-state basis as qualified programs develop, and will most likely be aligned with the timing of payments under the Medicare program. Eligible providers can qualify simply by adopting, implementing or upgrading their health information technology systems. States may add additional Medicaid requirements that must be linked to public health/data registries for Stage 1.

Are there penalties for not adopting an EHR?

Yes. There are penalties under the Medicare program only. Eligible providers who do not show meaningful use of an EHR by 2014 will face a 1% reduction in their Medicare Part B reimbursement fee schedule beginning in 2015. This increases to 2% in 2016, and 3% in 2017 and beyond.

Can my practice receive incentives under both Medicare and Medicaid plans?

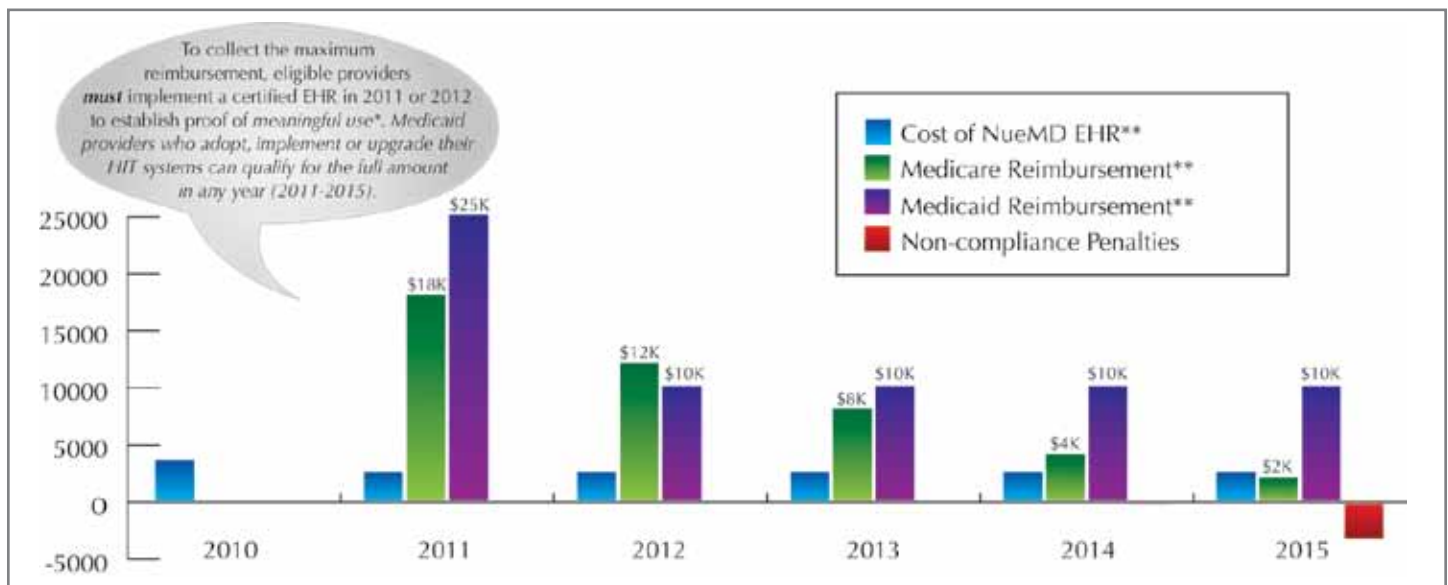
No. Providers can only receive incentives from one program. Medicaid recipients must waive their Medicare incentives.

How much will my practice qualify for?

It depends on a number of factors, including how quickly you adopt an EHR and show meaningful use, and whether you accept Medicare or Medicaid.

- **Under the Medicare Provision** – eligible physicians can receive an aggregate maximum total of up to \$44,000 in incentive payments. To qualify for the full amount, eligible providers can begin the program in either in 2011 or 2012.
- **Under the Medicaid Provision** – eligible physicians with at least 30 percent Medicaid patient volume (20% for pediatricians) can receive up to \$63,750. Participation can begin in any year – 2011 through 2015 – for EPs to qualify for the full amount. The Medicaid EHR program is voluntary for states to implement and thus may not be an option in every state.

The EHR Incentive Program At-a-Glance: How Your NueMD Investment Measures Up.



- * Definitions of “meaningful use” and “certified” to be defined by HHS.
- ** Eligibility is limited to either Medicare or Medicaid, not both.
- ** For participating states only
- ** NueMD EHR pricing based on a single doctor practice at annual list rate, using NueMD practice management system.

Sample reimbursement schedule based on adoption of an EHR in 2010

