

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?

Office-based medical doctors, optometrists, podiatrists, chiropractors, osteopathic physicians and dentists treating Medicare or Medicaid patients may be eligible to receive the incentive payments by showing “meaningful use” of a “certified EHR”.

What is the definition of “meaningful use”?

Meaningful use will be defined by CMS in three stages. The first stage, which was announced in CMS’ Notice of Proposed Rulemaking (NPRM) in Dec. 2009, encompasses [25 separate functional criteria/objectives](#) that focus on electronically capturing health information in a coded format, using that information to track key clinical conditions, communicating that information for care coordination purposes, and initiating the reporting of clinical quality measures and public health information. 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?

The Office of the National Coordinator for Health Information Technology (ONC) in its March 2010 Notice of Proposed Rulemaking (NPRM) recommended the establishment of a two-staged voluntary certification program for the purposes of testing and certifying health information technology. The first stage will be temporary for those already using an EHR system and will be in place until a more permanent certification process can be instituted. Nuesoft includes language in our contracts that explains that we will seek to obtain these or other certifications as they are 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.

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

No. Providers can only receive incentives from one program. Medicaid recipients must waive the right to Medicare incentives.

How an Electronic Health Record Can Help Your Practice

- Produce more accurate data in patient records
- Decrease or eliminate transcription costs
- Decrease in 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 Marketing Association

Centers for Medicare and Medicaid Services, “Medicare and Medicaid Incentive NPRM: Implementing the ARRA of 2009.”

Medical Group Management Association

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



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When can eligible providers begin to receive the incentive payments?

In its Notice of Proposed Rulemaking in Jan. 2010, CMS stipulated that 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. Incentive payments under the Medicare incentive program will begin January 2011 for eligible providers. Under the Medicaid program, 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.

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 percent reduction in their Medicare Part B reimbursement fee schedule beginning in 2015. This increases to 2 percent in 2016, and 3 percent in 2017 and beyond.

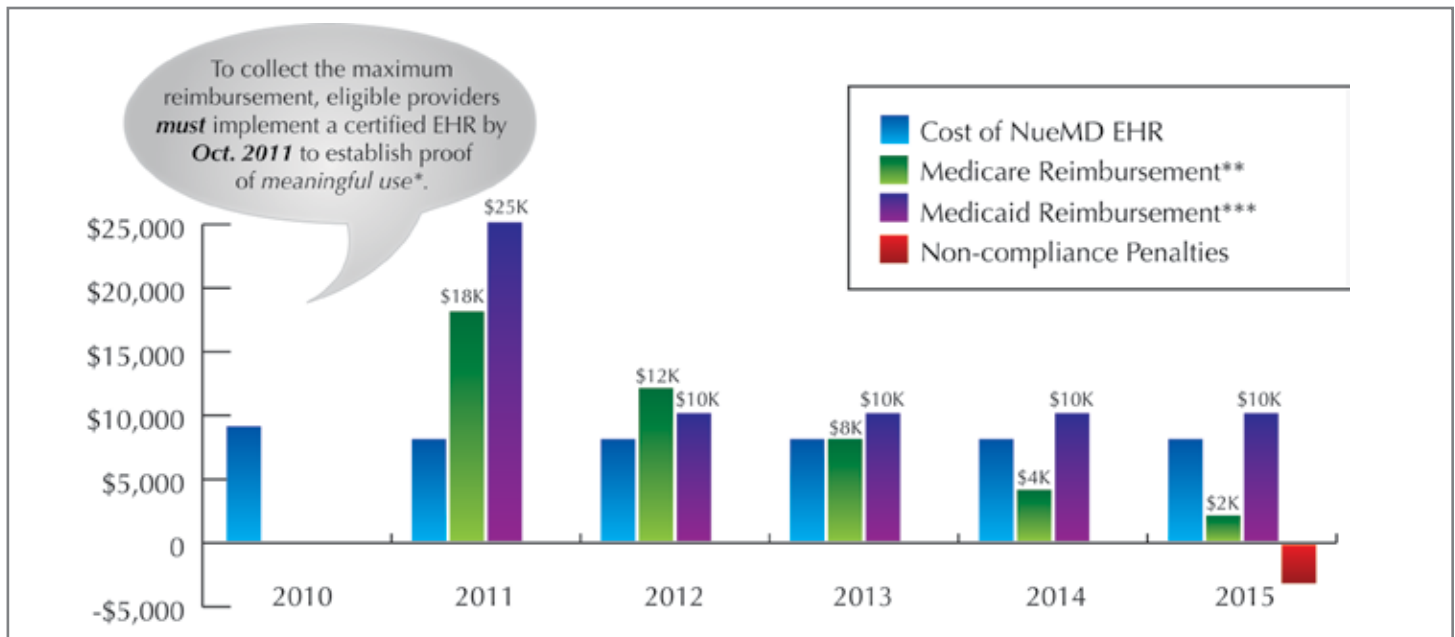
How much will my practice qualify for?

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 beginning in 2011 and ending in 2015.
- **Under the Medicaid Provision** – eligible physicians with at least 30 percent Medicaid patient volume (20% for pediatricians) could receive up to \$63,750 beginning in 2011 and ending in 2015. The CMS formula for Medicaid reimbursement will be calculated as 85 percent of EHR purchase costs not exceeding \$25,000 in the first year, followed by 85 percent of the annual maintenance costs not exceeding \$10,000 for the next five years (66% for pediatricians). 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.

Initial investment in NueMD (for single doctor practice at annual list rate)



Sample reimbursement schedule based on adoption of an EHR in 2010

* 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

For more information

contact 800.401.7422, ext. 1 or
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