

HITECH Act: **Incentive Program Guidelines**

California Medical Systems



Welcome to California Medical System's guide to the Health Information Technology for Economic and Clinical Health Act and its \$20 billion incentive programs.

California Medical Systems



Step I

Understanding the Stimulus

- The Stimulus
- Medicare or Medicaid
- Meaningful Use
- Certified Electronic Health Record System

Step II

Medicare & Medicaid Incentive Programs

- Eligibility
- Incentive Reimbursement
- Meaningful Use
- Scheduled Payments
- Penalties (Medicare only)
- Additional Information

Step III

Meaningful Use Objectives

- Basic Overview
- Stage One
- Meaningful Use Components
 1. EHR Functional Measures
 2. Clinical Quality Measures

Step IV

Registration

- Registration Overview
- Registration Requirements

I Understanding the Stimulus

- ❖ The Stimulus
- ❖ Medicare or Medicaid
- ❖ Meaningful Use
- ❖ Certified EHR System

The Stimulus

Under the HITECH Act

- ❖ \$20 billion in financial incentives
- ❖ Earn up to \$44,000 - \$63,750 per physician over five to six year period
- ❖ Encourages providers to adopt certified Electronic Health Record (EHR) systems
- ❖ Medical costs reduced while quality of care improved
- ❖ Two incentive programs through Medicare & Medicaid; each program is unique
- ❖ Demonstration of Meaningful Use is required to receive incentives

Medicare or Medicaid

- ❖ Center for Medicare and Medicaid Services (CMS) directs reimbursement process
- ❖ Providers decide which program, Medicare or Medicaid, to apply under; can not collect incentives from both programs
 - ❑ EP may switch once between programs before 2015
- ❖ Maximum incentive reimbursement:
 - ❑ Medicare \$44,000
 - ❑ Medicaid \$63,750
- ❖ Eligibility requirements for each program differ

Meaningful Use

- ❖ To qualify for incentives, providers must demonstrate Meaningful Use (MU) of a certified EHR software
- ❖ EP must use EHR software in accordance with the MU measures to qualify
- ❖ Basic definition of MU:
 - Use a certified EHR for patient care documentation and for e-prescribing
 - Connect to a health information exchange to help coordinate care with other providers
 - The ability to submit information on clinical quality measures
- ❖ EP must report on calculated measures defined by CMS

Certified EHR System

- ❖ To qualify for incentives, providers must use certified EHR system
- ❖ Certified EHR system provides platform for physicians to meet MU objectives
- ❖ Healthcare IT vendors must have EHR software certified by Authorized Testing and Certification Body
- ❖ Cal-Med to be certified before deadlines for full reimbursement

II Medicare & Medicaid Incentive Programs

- ❖ Eligibility
- ❖ Incentive Reimbursement
- ❖ Meaningful Use
- ❖ Scheduled Payments
- ❖ Penalties (Medicare only)
- ❖ Additional Information

Medicare Incentive Program

California Medical Systems



Medicare: Eligibility

❖ Eligible Professional's (EP):

- ✓ Doctor of Medicine
- ✓ Osteopathy
- ✓ Dental Surgeons/Medicine
- ✓ Podiatrists
- ✓ Optometrists
- ✓ Chiropractor

❖ Requirements:

- No minimum patient volume

Medicare: Eligibility

❖ Ineligible:

- × Those not accepting Medicare
- × Medical Assistants and Physical Therapists
- × Physicians delivering substantially all care (90%) in hospital (hospital-based EP)
 - × Hospitalists, Pathologists, or Emergency Physicians
- × Mid-level Physicians

Medicare: Incentive Reimbursement

- ❖ EP can earn up to \$44,000 over five year period

Potential Reimbursements Per Each Year

Year of Filing	2011	2012	2013	2014	2015	2016	TOTAL
2011	\$18,000	\$12,000	\$8,000	\$4,000	\$2,000	\$0	\$44,000
2012	\$0	\$18,000	\$12,000	\$8,000	\$4,000	\$2,000	\$44,000
2013	\$0	\$0	\$15,000	\$12,000	\$8,000	\$4,000	\$39,000
2014	\$0	\$0	\$0	\$12,000	\$8,000	\$4,000	\$24,000
2015 or Later	\$0	\$0	\$0	\$0	\$0	\$0	\$0

- ❖ EP has until 2012 to potentially receive full \$44,000
- ❖ Must begin by 2014 to receive incentive payments

Medicare: Incentive Reimbursement

- ❖ Incentives calculated by multiplying “allowable charges” by 75%, up to capped amounts (see table)
 - ❑ Example:
Allowable Charges for First Year = \$24,000
 $\$24,000 * 75\% = \$18,000$ (Capped amount for first year)

- ❖ Allowable charges based on:
 - ❑ Medicare Part B program
 - ❑ Professional components can be charged, not technical components
 - ❑ Only charges accumulated by EP

Medicare: Meaningful Use

- ❖ 1st year: Requires MU demonstration of 90 continuous days
 - ❑ If \$24,000 in allowable charges met, EP can submit immediately after 90-day MU reporting period achieved
 - ❑ If not, EP submits once \$24,000 is achieved or on 12/31 of first year

- ❖ 2nd, 3rd, 4th, & 5th year: Requires MU demonstration entire calendar year (365 continuous days)

- ❖ MU reporting must be take place within stated year
 - ❑ November 1, 2011 – February 1, 2012 does **NOT** qualify for 90 days of MU for the first year payment

Medicare: Payment Schedule

- ❖ Registration began January 2011, available online
- ❖ Physician's paid on annual rolling basis; payments starting April 2011
- ❖ CMS committed to payment 15-46 days after attestation submitted
- ❖ Registration requirements detailed in Step IV

Medicare: Penalties

- ❖ Those who do not implement certified EHR system nor demonstrate MU by 2014, will see payment adjustments in Medicare Fee Schedule:
 - ❑ 1% decrease 2015
 - ❑ 2 % decrease 2016
 - ❑ 3 % decrease 2017

- ❖ Further reduction by 5% if determined that Medicare system total adoption is below 75% in 2018

Medicare: Additional Information

- ❖ Medicare incentive is federally run by CMS
- ❖ Medicare Advantage EP's have special eligibility accommodations
- ❖ Physicians operating in state-identified health provider shortage area (HPSA) eligible for incremental increase of 10%
- ❖ EP can not skip payment year, e.g. not meet MU requirement, without forfeiting payment within particular year

Medicaid Incentive Program

California Medical Systems



Medicaid: Eligibility

❖ Eligible Professional's (EP):

- Physicians (as defined by Medicaid State Program)
- Certified Nurse-Midwives
- Nurse Practitioners
- Dentists
- Physician Assistants practicing in FQHC or RHC

Medicaid: Eligibility

❖ Requirements:

- ❑ Non-hospital based:
 - ❑ Physician, at least 30% patient volume
 - ❑ Pediatrician, at least 20% patient volume

- ❑ Physician primarily in FQHC, at least a 30% patient volume identified as “needy individuals”

- ❑ Physician assistants at FHQC/RHCs, if lead physician at clinic

Medicaid: Eligibility

❖ Ineligible:

- × Those that do not have patient base of 30% Medicaid patients
- × Medical assistants and physical therapists
- × Physicians delivering substantially all care (90%) in hospital (hospital-based EP)
- × Hospitalists, pathologists, or emergency physicians

Medicaid: Incentive Reimbursements

- ❖ Provides \$21,250 per physician in first calendar year to purchase and implement or upgrade a certified EHR system
- ❖ After first year, reimbursements are calculated by multiplying allowable charges by 85%, up to the capped amounts
 - Example:
 - Allowable charges for second year = \$10,000
 - $\$10,000 * 85\% = \$8,500$ (Capped amount for second year)
- ❖ EP must commit 15% of costs towards EHR purchase and implementation or upgrade

Medicaid: Meaningful Use

- ❖ 1st year: Purchase and implement or upgrade certified EHR system (MU demonstration not required)
- ❖ 2nd year: Requires MU demonstration of 90 continuous days
- ❖ 3rd, 4th, 5th, & 6th year, Requires MU demonstration entire calendar year (365 continuous days)

Medicaid: Scheduled Payments

- ❖ Incentive program run by states and is voluntary
- ❖ Registration may begin in 2011, online through CMS
- ❖ Timing for registration varies by state
- ❖ EP must choose one state to apply under; can switch states annually
- ❖ EP sent single, consolidated payment, through the State Medicaid Agency or designated intermediary

Medicaid: Additional Information

- ❖ No penalty reductions for EP's who do not implement EHR
- ❖ Pediatricians qualify with 20% (66% of 30%=20%), can only receive up to \$42,050 (66% of \$63,750)
- ❖ EP only participating in the Medicaid program not required to enroll in PECOS
- ❖ EP can skip payment year, e.g. not meet MU requirement, and return following year as never missed payment (unless year exceeds 2021)

III Meaningful Use

- ❖ Basic overview
- ❖ Stage One
- ❖ Measurement Components
 - ❑ EHR Functional Measures
 - ❑ Clinical Quality Measures

Basic Overview

- ❖ 3 stages to Meaningful Use:

 - Stage 1** (2011/2012) Capture & share data

 - Stage 2** (2013) Exchange of clinical data & advancement of process

 - Stage 3** (2015) Improve outcomes

- ❖ Remainder of information in **Step Three** relevant only to **Stage One** MU requirements

- ❖ Stage two requirements open for public comment end of 2010

Stage One

- ❖ EP must meet 25 functional components to qualify for MU
 - ❑ 15 Core (required)
 - ❑ 10 Menu (5 of 10 must be reported)
 - Must include at least one of the population and public health measures
- ❖ EP must report 20 of 25 components & six Clinical Quality Measures
- ❖ EP must provide attestation through secure mechanism (online) for 2011 and 2012 reporting
- ❖ 80% of all patients must have records in certified EHR system
- ❖ If measurement irrelevant to practice or can not be met, EP can attest to remove it from list of requirements

Measurement: EHR Functional Components

15 Core functional components (Required)

Drug interaction checks

Problem list of diagnoses

Active medication list

Active medication allergy list

Record changes in vital signs

Record smoking status

Report clinical quality measures

Protect health information

Use CPOE

Electronic prescriptions

Record demographics

Clinical decision support

Provide patient with electronic copy of health information

Clinical Summaries

Electronic exchange capabilities

EHR Functional Measures

10 Menu functional components (5 of 10 Required)*

Drug-formulary checks

Lab results

List of patient conditions

Send reminders to patients

Patient-specific education

Medication reconciliation

Patients have timely access to health information

Summary care record

Immunization registries

Electronic syndromic surveillance data

*Stage One Requirements only

Clinical Quality Measures

- ❖ Clinical quality measures (CQM) consist of measures of processes, experience, and/or outcomes of patient care, observations or treatment that relate to one or more quality aims for health care such as effective, safe, efficient, patient-centered, equitable, and timely care.
- ❖ EP must attest information on CQM electronically
- ❖ CQM for Medicare will apply to Medicaid; alternative Medicaid specific measures also included
- ❖ Reporting CQM under Medicaid delayed until 2012
- ❖ 44 CMQ measures included under MU (must report six measures)

IV

Registration

- ❖ Registration Overview
- ❖ Registration Requirements

Registration Overview

- ❖ Medicare and Medicaid registration will begin in early 2011
- ❖ CMS will provide further information for registration in the coming months
- ❖ Cal-Med will provide you with all updated information as it is released

Registration Overview

- ❖ All providers must:
 - Register via EHR Incentive Program website
 - Be enrolled in Medicare FFS, MA, or Medicaid FFS or managed care
 - National Provider Identifier (NPI)
 - Use certified EHR technology & demonstrate MU
 - All Medicare providers must be enrolled in PECOS

Registration Requirements

- ❖ Requirements for Registration include:
 - Name of the EP
 - National Provider Identifier (NPI)
 - Business address and business phone
 - Taxpayer Identification Number (TIN) which payment is made too
 - Medicare or Medicaid program selection for EP
 - State selection for Medicaid providers

HITECH Time Line



How Cal-Med Can Help You

- ❖ If not a Medicare user of PECOS and/or NPPES system, Cal-Med has enrollment information for your convenience
- ❖ Full-time professionals researching and documenting incentive program information

Further Information

For the most up-to-date information regarding your incentive reimbursements visit the Cal-Med website today:

www.cal-med.com

Or contact:

Anoush Tabrizi

atabrizi@cal-med.com

(949) 719-6767

California Medical Systems



Thank You

California Medical Systems

