FAQ: ARRA, the HITECH Act and the CMS EHR Incentive Programs

The American Recovery and Reinvestment Act (ARRA) or stimulus act, as it is commonly referred to, has reinvented how providers use information technology. The Health Information Technology for Economic and Clinical Health (HITECH) Act, a part of ARRA, calls for incentive payments to promote information technology throughout the healthcare community. Much of the billions of dollars that will go to physicians, hospitals and community health centers to help them offset the cost will be administered through Medicare and Medicaid EHR Incentive Programs.

Eligible professionals (EPs) starting an incentive program in 2015 will need to be “meaningfully using” a 2014 Edition Certified EHR in order to secure reimbursements through the CMS incentive programs. Henry Schein MicroMD® EMR has achieved 2014 Edition Complete Ambulatory EHR ONC Health IT Certification, which designates that the software is capable of supporting healthcare providers with Stage 1 and Stage 2 meaningful use measures required to qualify for funding under the American Recovery and Reinvestment Act (ARRA). It’s our commitment to help providers maximize their incentive payments in year one and beyond.

WHAT IS “MEANINGFUL USE”?
According to the HITECH Act, providers must demonstrate “Meaningful Use” of a certified EHR system. Essentially it means meeting a series of objectives that make use of EHR’s potential to improve quality, efficiency and patient safety. Demonstrating meaningful use is the key to claim incentives from Medicare/Medicaid. Meaningful Use will involve three stages of reporting requirements with increasing requirements over time. Stage 1 requirements will be applicable for the first 2-3 payment years. Stage 2 requirements will be applicable starting in 2014. Stage 3 requirements are targeted to go into effect in 2017.

WHAT DOES STAGE 1 OF MEANINGFUL USE FOCUS ON?
Stage 1 focuses on electronic capture of health information and the use of that information to track key clinical conditions, communicate the information for care coordination and report clinical quality measures and public health information. Stage 1 consists of 15 “Core” Objectives, plus a choice of five additional required elements from a list of “Menu Set” Objectives of 10 from which EPs can choose.
WHAT DOES STAGE 2 OF MEANINGFUL USE FOCUS ON?
Stage 2 focuses on exchange and access to health information, moving beyond simple data collection to start using the data in broad ways to reform healthcare quality, efficiency and patient safety. Stage 2 consists of 17 “Core” objectives, and 3 “Menu Set” Objectives selected from a list of 6. Additionally, EPs will be required to track and submit data on 9 Clinical Quality Measures (CQMs) from a list of 64 in order to attest to meeting Meaningful Use.

WHAT IS MEANT BY THE TERM “CERTIFIED” EMR?
The legislation requires that physicians use an EMR (or EHR) that has been evaluated by an Authorized Certification Body (ACB) to ensure that its software features and functionality meet established standards of performance. As of today, the Office of the National Coordinator (ONC) has approved multiple ACBs to certify EMR software to meet “2014 Edition EHR Certification” standards.

WHO IS ELIGIBLE FOR MEDICARE STIMULUS REIMBURSEMENTS?
Office-based EPs who demonstrate meaningful use of an electronic medical record (EMR) system, including Doctor(s) of Medicine or Osteopathy, Doctor(s) of Dental Surgery or Dental Medicine, Doctor(s) of Podiatric Medicine, Doctor(s) of Optometry and Chiropractors, are eligible. Hospital-based EPs are not.

WHO IS ELIGIBLE FOR MEDICAID STIMULUS REIMBURSEMENTS?
Those allowed to submit for incentives include physicians, nurse practitioners (NPs), certified nurse-midwives (CNMs), dentists and physician assistants (PAs) working in a Federally Qualified Health Center (FQHC) or rural health clinic (RHC) that is so led by a PA.

ARE HITECH ACT INCENTIVE PAYMENTS PER PROVIDER OR PER PRACTICE?
The incentives are paid on a per provider basis based on NPI number. Incentive payments go to the individual providers delivering the care and are not automatically distributed at a practice/group level, although many practices establish agreements with their providers to assign their incentive payments to the practice if the practice bears the investment of their EPs meeting Meaningful Use.

HOW DO THE MEDICARE INCENTIVE PAYMENTS WORK?
EPs using a certified EHR can receive up to 75 percent of their Medicare Part B allowable charges each payment year up to the payment year max. EPs practicing in “health professional shortage areas” can receive a 10 percent additional payment. Penalties for not meeting meaningful use begin in 2015 and start with a 1% reduction in payments and increase to 3% in 2017 and beyond. Medicare providers that didn’t start the incentive program by 2014 will not be eligible for incentive payments but can still avoid penalty adjustments by demonstrating Meaningful Use.

HOW DO THE MEDICAID INCENTIVE PAYMENTS WORK?
EPs with 30 percent or more Medicaid patient volume (20 percent for pediatricians to earn 66% of incentives), can receive incentives based on the Medicaid incentive payment schedule. The maximum benefit is $21,250 in the first year, and $8,500 each year following through the life of the program, as long as the EP continues to meet eligibility requirements and is following any specific state medical organization requirements. Medicaid EPs may also opt to receive their first year payment incentive by attesting to “Adoption, Implementation or Upgrade” (A/I/U) of a certified EMR, although in payment year 2 and beyond, Medicaid EPs must meet Meaningful Use as outlined by the Medicare program requirements.

CAN A PROVIDER RECEIVE INCENTIVES FOR BOTH MEDICARE AND MEDICAID?
No. EPs must choose one to start with, but may switch one time from one program to another after the initial payment year.

DOES A PROVIDER NEED TO PARTICIPATE IN AN INCENTIVE PROGRAM FOR ALL THE PAYMENT YEARS?
Medicare EPs must participate in consecutive payment years in order to secure the entire EHR incentive over the length of the available program payment years. Medicaid EPs may skip participation years, although, when rejoining the program, EPs would begin meeting MU where they left off.

HOW DO PROVIDERS REGISTER FOR INCENTIVES?
Enrollment in selected Medicare/Medicaid program(s) is available through the CMS EHR Incentive Program web site. Please note that the Medicaid EHR incentive programs are administered by each state Medicaid organization and may have additional registration/attestation requirements and timing. Please contact the appropriate stage Medicaid organization to confirm registration and attestation requirements.

CORPORATE COMMITMENT
“Henry Schein is committed to maintaining EHR certification requirements and helping you comply with all relevant HITECH and HIPAA rules as healthcare enters a new era of automation.”

Bruce Lieberthal, VP/General Manager
Henry Schein MicroMD

800 846-2900
medicalsoftwareinc.com