

EHR Incentive Program Medicare Program Overview



Medicare Eligible Professionals

The American Recovery and Reinvestment Act (Recovery Act) of 2009 authorizes the Centers for Medicare and Medicaid Services (CMS) to make incentive payments to Medicare and Medicaid eligible professionals (EPs) who are meaningful users of certified electronic health record (EHR) technology. Eligibility for the EHR incentive programs is determined by law, and eligibility is based on the individual, not the facility or practice.

In general, a Medicare EP will demonstrate meaningful use (MU) in Stage 1 by using certified EHR technology to:

- Meet the applicable MU measures, and
 - Report on the applicable clinical quality measures.
- Satisfying each of these requirements and reporting to CMS will qualify the EP for an incentive payment.

A Medicare EP is a:

- Doctor of medicine or osteopathy
- Doctor of dental surgery or dental medicine
- Doctor of podiatric medicine
- Doctor of optometry
- Chiropractor

Specialties are eligible if the EP meets one of the above criteria.

Hospital-based EPs are not eligible to participate in the Medicare EHR incentive program. An EP is considered to be hospital-based if 90% or more of his or her covered professional services are provided in the inpatient department or emergency room of a hospital (place of service codes 21 or 23).

Medicare Incentive Program Overview

A qualifying EP can receive EHR incentive payments for up to 5 years. In general, the maximum amount of total incentive payments that an EP can receive under the Medicare program is \$44,000.

- The Medicare program for EPs is based on a calendar year (CY). The program starts in 2011 and will continue through 2016. In order to qualify for the maximum allowable incentive payment, an EP must receive his or her first incentive payment for 2011 or 2012.

- An EP who first successfully demonstrates MU in 2015 or later will not qualify for any incentive payment.
- For 2015 and later, EPs who do not successfully demonstrate MU will be subject to reduced Medicare reimbursements. The reduction starts at 1% and increases each year that the EP does not demonstrate MU, to a maximum of 5%.
- The reporting period (i.e., MU demonstration period) for an EP's first year is any continuous 90-day period within that year. The reporting period for all subsequent payment years is the entire year. For example, an EP who applies for his or her first incentive payment for CY 2012 must report on any continuous 90-day period within CY 2012. For each of the following years, the EP must report on the entire year.
- EPs who provide care in more than one practice must have certified EHR technology available for at least 50% of their encounters in order to participate in the EHR incentive program.
- EPs may not receive EHR incentive payments from both the Medicare and Medicaid programs in the same year. An EP who has qualified for an incentive payment may switch between the Medicare and Medicaid programs once before 2015.
- Each EP is only eligible for one incentive payment per year, regardless of the number of practices or locations at which he or she provides services.

Medicare Incentive Payments

EPs who successfully use certified EHR technology to demonstrate MU for the relevant EHR reporting period may be eligible for an incentive payment.

- Incentive payments are equal to 75% of the EP's Medicare physician fee schedule allowed charges in a payment year (submitted within 2 months of the end of the calendar year), up to the established limits. For example, an EP's CY 2012 incentive payment will be equal to 75% (up to an annual limit) of his or her Medicare allowed charges for CY 2012, based on claims for services performed between January 1, 2012 and December 31, 2012, and submitted to the EP's Medicare contractor (MAC/carrier) no later than February 28, 2013.

- Payments to Medicare providers will be made to the taxpayer identification number (TIN) selected at the time of registration, through the same channels their claims payments are made. The form of payment (electronic funds transfer or check) will be the same as claims payments.
- Incentive payments will be made approximately 4 to 6 weeks after an EP successfully attests that he or she has demonstrated meaningful use of certified EHR technology.
 - For an EP's first payment year, payment will be made when he or she meets the \$24,000 threshold in allowed charges or, for an EP who does not reach the threshold, after the end of the claims submission period.
 - CMS expects that Medicare incentive payments will begin in May 2011 for EPs who demonstrate MU for the 90-day period beginning January 1, 2011, and ending March 31, 2011, and who meet the \$24,000 threshold in allowed charges during that period.

Table 1 shows the maximum incentive payments that an EP can receive if he or she qualifies for a payment each year. Payments will be calculated as 75% of the EP's allowed Medicare charges up to these limits.

Medicare EPs who provide services in geographic Health Professional Shortage Areas (HPSAs) may be eligible for an increase of 10% in the maximum incentive payment amount. To qualify:

- The EP must have furnished more than 50% of his or her covered professional services in a geographic HPSA.
- The HPSA must have been designated as of December 31 of the prior year.
- The EP must accrue the maximum allowed charges to receive this bonus.

For example, an EP who applies for an incentive payment for CY 2012 will qualify for the higher HPSA payment limit if (a) he or she provided more than 50% of covered services during CY 2012 in a HPSA (b) that was designated as such by December 31, 2011 and (c) he or she qualified for the maximum incentive payment as shown in Table 1.

Frequently Asked Questions

- Q: I am a Commissioned Officer. Am I eligible to participate in the EHR incentive programs?
 A: Yes, if you meet other eligibility requirements.
- Q: I work in a hospital. Does that mean I am hospital-based?
 A: Not necessarily. Check with your coding or billing department to determine how your covered services are coded and billed.
- Q: I'm an eligible professional. What do I do now?
 A: Visit www.cms.gov/ehrincentiveprograms to learn about next steps.

Table 2 shows the maximum incentive payments that an EP can receive if he or she qualifies for the higher HPSA payment limit each year. EPs who predominantly furnish services in a HPSA but who do not qualify for the higher payment limit will be paid according to the standard formula of 75% of the EP's allowed charges (as shown in Table 1).

Table 1: Maximum incentive payments by year

Payment Year	First Year EP Demonstrates MU				
	2011	2012	2013	2014	2015
CY 2011	\$18,000				
CY 2012	\$12,000	\$18,000			
CY 2013	\$8,000	\$12,000	\$15,000		
CY 2014	\$4,000	\$8,000	\$12,000	\$12,000	
CY 2015	\$2,000	\$4,000	\$8,000	\$8,000	\$0
CY 2016		\$2,000	\$4,000	\$4,000	\$0
Total	\$44,000	\$44,000	\$39,000	\$24,000	\$0

Table 2: HPSA-eligible maximum incentive payments by year

Payment Year	First Year EP Demonstrates MU				
	2011	2012	2013	2014	2015
CY 2011	\$19,800				
CY 2012	\$13,200	\$19,800			
CY 2013	\$8,800	\$13,200	\$16,500		
CY 2014	\$4,400	\$8,800	\$13,200	\$13,200	
CY 2015	\$2,200	\$4,400	\$8,800	\$8,800	\$0
CY 2016		\$2,200	\$4,400	\$4,400	\$0
Total	\$48,400	\$48,400	\$42,900	\$26,400	\$0

Resources

www.usetinc.net/ehr ■ www.ihs.gov/meaningfuluse/
www.cms.gov/EHRIncentivePrograms ■ <http://healthit.hhs.gov>