

EHR Incentive Program Medicaid Program Overview



Medicaid Eligible Professionals

The American Recovery and Reinvestment 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 Medicaid EP will demonstrate meaningful use (MU) in Stage 1 by utilizing 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 the state Medicaid agency will qualify the EP for an incentive payment.

A Medicaid EP is a:

- Physician, defined as a doctor of medicine or osteopathy
- Dentist
- Certified nurse-midwife
- Nurse practitioner
- Physician assistant (PA) practicing at a Federally Qualified Health Center (FQHC) or Rural Health Clinic (RHC) led by a PA

Hospital-based EPs are generally not eligible to participate in the Medicaid 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). Medicaid EPs practicing predominantly in an FQHC or RHC are the only exceptions to the hospital-based exclusion. An EP practices predominantly at an FQHC or an RHC when the clinical location for more than 50% of his or her total patient encounters during 6-month period occurs at an FQHC or RHC.

Medicaid EPs must also meet one of three patient volume thresholds as calculated over any continuous 90-day period within the previous calendar year (CY). For example, the EP's Medicaid patient volume for

any continuous 90-day period within CY 2011 will determine if the EP is eligible to participate in the Medicaid EHR incentive program during 2012. Each State Medicaid Agency will identify the method(s) EPs may use to determine their Medicaid patient volume.

- Minimum 30% Medicaid patient volume
- Pediatricians only: minimum 20% Medicaid patient volume
- EPs practicing predominantly in FQHCs or RHCs: minimum 30% needy individual patient volume

Needy individuals are defined as individuals who:

- Receive medical assistance from Medicaid or the Children's Health Insurance Program (CHIP); or
- Are furnished uncompensated care; or
- Are furnished services at either no cost or reduced cost based on a sliding scale determined by the individual's ability to pay.

Needy individuals only count towards thresholds if the EP practices predominantly in an FQHC or RHC.

Pediatricians who have a Medicaid patient volume of at least 20% but less than 30% will qualify for two-thirds of the incentive payment. Pediatricians who have a Medicaid patient volume of at least 30% may qualify to receive the maximum incentive payment.

Medicaid Incentive Program Overview

The Medicaid program aligns with the Medicare program where possible, but there are some significant differences between the two. In general, the maximum amount of incentive payments that an EP can receive under the Medicaid program is \$63,750 over 6 years.

- The EHR incentive program is voluntary for state Medicaid agencies. If a state decides to opt out of the incentive program, EPs in that state will not be able to participate in the Medicaid EHR incentive program.
- Each state Medicaid agency will set a launch date for their program. Most states are expected to launch their program by late summer 2011.
- 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 receive only one EHR incentive payment per year:
 - An EP who qualifies for incentive payments from both the Medicare and Medicaid programs in the same year may receive payment from only one program per year.
 - Medicaid EPs must select one state from which to receive their incentive each year.
- Incentive amounts are based on the costs for EHR implementation and support.
- Maximum incentives are the same regardless of the first year of participation, and the last payment year is 2021. An EP must begin the program by 2016 to receive incentive payments.
- EPs are not required to participate on a consecutive annual basis, and may only receive a total of six incentive payments.
- Medicaid EPs may qualify for incentive payments:
 - In their first year of participation, by demonstrating that they have adopted (i.e., acquired or purchased), implemented (i.e., started using), or upgraded to certified EHR technology.
 - In their second year of participation (first year of demonstrating MU), by meeting the MU requirements for any continuous 90-day period within the CY.
 - In all subsequent years, by demonstrating MU for the full year.

For example, an EP who applies for his or her first incentive payment for CY 2012 must demonstrate that he or she adopted, implemented, or upgraded to certified EHR technology during 2012. To qualify for an incentive payment for CY 2013, the EP must report on a 90-day period. For each of the following years, the EP must report on the entire year.

- State Medicaid agencies will verify eligibility and disburse payments to EPs.
- There are no penalties under the Medicaid program, but participants in the Medicaid program are still subject to Medicare penalties if they are not meaningful users for 2015 and later. The reduction starts at 1% and increases each year that the EP does not demonstrate MU, to a maximum of 5%.

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: Is my facility an FQHC or RHC?
 A: Federal facilities cannot be treated as FQHCs or RHCs. Tribal facilities will be treated as FQHCs for the EHR incentive program, which means that Medicaid EPs at these sites may be subject to the needy individual patient volume threshold.
- Q: I'm an eligible professional. What do I do now?
 A: Visit www.cms.gov/ehrincentiveprograms to learn about next steps.

Medicaid Incentive Payment Amounts

EPs may qualify for incentive payments by adopting, implementing, or upgrading to certified EHR technology during their first year, and by successfully demonstrating MU during subsequent years. These payments are based on the costs for EHR implementation and support.

The following table shows the maximum incentive payments that an EP can receive if he or she successfully qualifies for a payment each year.

Payment Year	First Year EP Qualifies for Payment					
	2011	2012	2013	2014	2015	2016
2011	\$21,250					
2012	\$8,500	\$21,250				
2013	\$8,500	\$8,500	\$21,250			
2014	\$8,500	\$8,500	\$8,500	\$21,250		
2015	\$8,500	\$8,500	\$8,500	\$8,500	\$21,250	
2016	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500	\$21,250
2017		\$8,500	\$8,500	\$8,500	\$8,500	\$8,500
2018			\$8,500	\$8,500	\$8,500	\$8,500
2019				\$8,500	\$8,500	\$8,500
2020					\$8,500	\$8,500
2021						\$8,500
Total	\$63,750	\$63,750	\$63,750	\$63,750	\$63,750	\$63,750

Resources

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