

**Medicare Update:
Enhanced Incentives**

**NOSORH Region E
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HITECH Act

- American Recovery and Reinvestment Act (Recovery Act)
- Medicare and Medicaid Incentives Programs

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Funding

- Available to eligible professionals (EPs) and hospitals
- Distributed through Medicare and Medicaid incentive payments
- For Medicaid-federal matching funds for state administrative costs

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Criteria

- Qualification criteria in development
- Medicare “meaningful EHR users”
 - Meaningful use
 - Exchange of health information to improve quality
 - Reporting on clinical quality
- Medicaid will specify requirements

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Medicare

- Physicians
 - Provides financial incentives beginning with CY2011 for Medicare physicians who are meaningful EHR users,
 - Payment adjustments will begin in 2015 for physicians who are not meaningful EHR users.
- Hospitals
 - Provides financial incentives beginning with FY2011 for eligible subsection (d) hospitals and critical access hospitals (CAHs) that are meaningful EHR users
 - Reduced payment updates beginning in 2015 for eligible hospitals who are not meaningful EHR users.

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Medicare Physicians

- Payments can begin in 2011
- Last year to join the program is 2014
- Last year of payments 2016
- Maximum of 5 years of payments and \$44K
- Caps increased by 10% in a Health Professional Shortage Area
- Payment adjustments begin in 2015

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Medicare Hospitals

- Payments can begin in fiscal year 2011
- Last year to join the program is 2015
- Last year of payments 2016
- Maximum of 4 years of payments
- Market basket adjustments begin in 2015 for hospitals that are not Meaningful Users

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Medicaid Physicians

- No start date specified for Medicaid
- Who Qualifies:
 - Physicians, dentists, certified nurse-midwives, nurse practitioners, and physician assistants in FQHCs or RHCS led by a PA
 - Eligible professionals who meet minimum Medicaid patient volume

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Medicaid Hospitals

- No start date specified for Medicaid
- Acute care hospitals with at least 10 percent Medicaid patient volume
- Children's hospitals (no Medicaid patient volume requirement).

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How Much is the Medicaid Incentive Payment

- The State is authorized to make payments to Medicaid physicians totaling no more than 85% percent of net average allowable costs for certified EHR technology
- The statute specifies maximum amounts but the Secretary will determine through studies the actual amounts of the provider incentive payments
- Unlike Medicare, no reductions in Medicaid payments are to be made if a provider does not adopt certified EHR technology

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Relationship Between Medicaid and Medicare EHR Incentives


- Physicians can only receive either the Medicare or Medicaid Incentive, not both
- Hospitals that qualify for the Medicare and Medicaid incentive can receive both.
- CMS and the States will develop means prevent duplicate payments through Medicare and Medicaid.

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Information will be coming out over the next several months.

- www.cms.hhs.gov/Recovery/
- Medicare information
www.cms.hhs.gov/home/medicare.asp
- Medicaid information
www.cms.hhs.gov/home/medicaid.asp
- ONC information
<http://healthit.hhs.gov/portal/server.pt>

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