



Santa Rosa Presents Webinar Series **Electronic Health Records & Meaningful Use Incentives: Medicare & Medicaid**

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Chris Apgar, CISSP
President



Overview

- **ARRA & Meaningful Use Rule Overview**
- **Meaningful Use Requirements – Stage 1**
- **Vendor Requirements**
- **Challenges & considerations**
- **Privacy & security violation investigation impact**

ARRA Overview – Title IV

- **Division B, Title IV outlined EHR implementation or upgrade incentives and requirements**
- **Financial incentives under Title IV is available beginning federal fiscal year (FY) 2011 (10/1/2010) for hospitals and calendar year (CY) 2011 for eligible health care professionals**
- **If EHR is not implemented or upgraded by FY 2015 to accommodate “meaningful use,” reduction in Medicare reimbursement will occur**

ARRA Overview – Title IV

- **Title IV covered three different categories of incentives:**
 - Medicare Part B
 - Medicaid
 - Medicare Advantage
- **Eligible health care professionals can take advantage of only one of the incentive programs**
- **Incentive dollars may be assigned to a third party (such as an EHR hosting vendor or association)**

ARRA Overview – Title IV

- **Eligible health care professionals and hospitals can change from the Medicare incentive program to the Medicaid program (and the reverse) once**
- **Under certain circumstances, hospitals may be qualify to take advantage of Medicare and Medicaid incentives**
- **Incentive amounts are reduced each year (Medicare Part B and Medicare Advantage incentives only)**
- **Medicaid incentive dollar availability will vary from state to state**

Meaningful Use Rule Overview

- **The Meaningful Use Rule outlines measures and related requirements that must be met to qualify for Medicare or Medicaid EHR incentive dollars (hospitals and eligible health care professionals)**
- **The rule includes Stage 1 requirements only at this time**
- **The Office of the National Coordinator for Health Information Technology (ONC) is now accepting comments to assist in developing Stage 2 requirements**

Meaningful Use Rule Overview

- **The requirements to demonstrate meaningful use will become more stringent for stage 2 (beginning 2013) and stage 3 (beginning 2015)**
- **Concerns regarding time necessary to measure impact of meaningful use requirements have been raised**
- **Eligible entities can apply for incentive payments after 90 days from the date a federally certified EHR is implemented or upgraded that will accommodate demonstration of meaningful use**

Meaningful Use Rule Overview

- **Hospitals and eligible health care professionals are not eligible to take advantage of incentives if involved in an open Office for Civil Rights (OCR) or Center for Medicare and Medicaid Services (CMS) privacy or security investigation**
- **Medicare incentive payments are consecutive while Medicaid incentive payments are not**
- **As an example, if applying for Medicare incentives and qualify the first year but not the second year, the second year counts towards incentive eligibility even though no incentive payment was made**

- **Certification requirements did not mandate all functions be performed by a single application as long as the applications were “tied together” or bundled**
- **The interim final rule includes certification requirements for:**
 - **“Complete” EHRs**
 - **Ambulatory EHRs**
 - **Inpatient EHRs**

Vendor Certification

- **Division B, Title XIII of ARRA (otherwise known as the HITECH Act) called for the creation of standard and policy setting committees under the authority of ONC who were responsible for documenting vendor technical requirements**
- **The final vendor certification rule defined the certification process for EHRs and the process vendors are required to follow when seeking certification**

Vendor Certification

- **The designated certification bodies are charged with reasonably ensuring vendor applications meet the certification requirements and support hospitals and eligible health care professionals meet the meaningful use requirements**
- **All EHR vendors must go through a defined certification process before hospitals and eligible health care professionals can begin demonstrating meaningful use**

Vendor Certification

- **Several certification bodies have been designated including the Certification Commission for Health Information Technology (CCHIT)**
- **If the EHR was previously certified by CCHIT, the EHR is not considered federally certified until the vendor application or applications are certified according to the requirements outlined in rule**

Medicare Incentives

- ❑ Medicare Part B incentive amount calculated as 75% of Part B charges for payment year
- ❑ Eligible professionals in health professional shortage areas receive a 10% increase
- ❑ Maximum incentive payments are:
 - Year 1 - \$18,000 (If year 1 is 2011 or 2012, otherwise \$15,000)
 - Year 2 - \$12,000
 - Year 3 - \$8,000
 - Year 4 - \$4,000
 - Year 5 - \$2,000
 - Year 6 - \$0

Medicaid Incentives

- **Eligible professionals/hospitals include:**
 - **Non-hospital-based professionals with $\geq 30\%$ patient volume receiving Medicaid**
 - **Non-hospital-based pediatricians with $\geq 20\%$ of patient volume receiving Medicaid**
 - **Eligible professionals who practice predominately in a Federally-qualified health center or rural health clinic with $\geq 30\%$ patient volume receiving Medicaid**
 - **Children's hospitals or acute care hospitals that have $\geq 10\%$ patient volume receiving Medicaid**
- **Maximum is \$63,750 per eligible health care professional**

Medicare Advantage Incentives

- ▶ **Eligible health care professionals and hospitals who demonstrate they comply with the requirements to receive incentive payments will receive the same incentive payments made for Medicare Part B**
- ▶ **Eligible health care professionals and hospitals cannot take advantage of both Medicare Part B incentives and Medicare Advantage incentives**

Timeline – Incentives & Penalties

- ▶ **Percentage of Medicare reimbursement for hospital or eligible health care professional EHR implementation or upgrade made FY 2015 and later are:**
 - **99% - FYI 2015**
 - **98% - FY 2016**
 - **97% - FY 2017**

- ▶ **CMS has the authority to further reduce Medicare reimbursement by 1% per year after 2017 reductions are capped at 95%**

EHR Technical and Meaningful Use Requirements

- ▶ See table for detailed vendor technical requirements specified in rule
- ▶ See table for detailed hospital and eligible health care professional meaningful use requirements specified in rule for Stage 1

What Can be Done Now?

- **Hospitals and eligible health care professionals need to be in a position to move quickly now that the final requirements have been published to take advantage of as much incentive dollars as feasible**
- **This means planning should have started in 2010 whether an upgrade will be required or plans include implementation of a new EHR**
- **It is important to remember a risk analysis is required to demonstrate meaningful use (already required by the HIPAA Security Rule)**

What Can be Done Now?

- **Steps to follow:**
 - **If currently using an EHR, begin conversations with vendors now – upgrade relies on the availability of a certified upgrade from vendors**
 - **Budget for HIT changes – incentive payments are made after EHR expenditures have been made**
 - **Determine what needs to be converted from paper to the new EHR (if implementing a new system)**

What Can be Done Now?

- **Steps to follow (continued):**
 - **Determine internal and external resources needed in the event a paper conversion is required**
 - **Determine resources necessary over and above the cost of the EHR for staff training, trading partner training, implementing meaningful use measures, conducting a risk analysis, etc.**
 - **Review certification time line – how long will it take for the selected vendor application or applications to be certified (will impact the incentive eligibility timeline)?**

What Can be Done Now?

- **Steps to follow (continued):**
 - **Keep in mind any EHR implemented or upgraded now will likely need to be upgraded in 2012 to accommodate the ICD 10 Rule requirements and compliance date**
 - **Determine (to the extent feasible) if taking advantage of incentives now outweighs the cost of an ICD 10 upgrade and data conversion in 2012**
 - **Check with state HIT staff and HIT Regional Extension Centers to determine if additional financial and staffing support resources are available**
 - **Remember HIT Regional Extension Centers should be view as another consultant – they may or may not offer a solution or support that serves your organization’s needs**

Privacy & Security Requirements

- **The HITECH Act included some significant changes to current HIPAA privacy, security and enforcement requirements**
- **Vendor EHR technical requirements included enhanced security requirements (e.g., multi-factor authentication, encryption, role based access, etc.)**
- **The only meaningful use security related requirement relates to conducting a risk analysis**

Privacy & Security Requirements

- **While not explicitly stated, the security of the exchange of prescription data and other PHI should be examined during the mandated risk analysis**
- **The Meaningful Use Rule included several HIPAA Privacy Rule related requirements:**
 - **Provide an electronic copy of an individual's record**
 - **Timely electronic access to health information**

Resources

- **ONC:** <http://healthit.hhs.gov>
- **CMS:** <http://www.cms.hhs.gov>
- **OCR:** <http://www.ocr.hhs.gov>
- **CCHIT:** <http://www.cchit.org>
- **ARRA Information:** <http://recovery.gov> and <http://www.hhs.gov/recovery>
- **Workgroup for Electronic Data Interchange (WEDI):** <http://www.wedi.org>

Summary and Q&A



Chris Apgar, CISSP President

10730 Southwest 62nd Place | Portland, Oregon 97219
503-977-9432 | 503-245-2626 Fax | www.ApgarAndAssoc.com

I n f o r m a t i o n p l u s T e c h n o l o g y

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