

MO HealthNet Medicaid EHR Incentive Program Fact Sheet

Overview

The Centers for Medicare & Medicaid Services (CMS) and MO HealthNet are in the process of implementing the provisions of the American Recovery and Reinvestment Act of 2009 (Recovery Act) that provide incentive payments for the adoption and meaningful use of certified electronic health record (EHR) technology. These incentives are administered based on participation in the Medicare and/or Medicaid programs. This fact sheet summarizes key components of the program as they relate to providers and hospitals.

The Medicare EHR incentive program will provide incentive payments to eligible professionals (EPs), eligible hospitals (EHs), and critical access hospitals (CAHs) that are meaningful users of certified EHRs. The Medicaid EHR incentive program will provide incentive payments to EPs and eligible hospitals for efforts to adopt, implement, upgrade, or meaningfully use certified EHR technology.

This fact sheet address five topics:

- Eligibility
- Payments
- Adopting, implementing, or upgrading certified EHR technology
- Demonstrating meaningful use of EHR technology
- Resources

Eligibility for Medicaid Incentives

- EPs include: physicians, dentists, nurse practitioners, certified nurse midwives, and physician assistants (PAs) practicing in a Federally Qualified Health Center (FQHC) led by a PA or Rural Health Clinic (RHC) that is so led.
- EHs that can participate include: acute care hospitals (which include cancer and critical access hospitals) and children's hospitals.
- EPs and EHs must meet patient volume thresholds. MO HealthNet is still establishing the methodology for this calculation, but essentially:
 - EHs may meet this threshold either through Medicaid and/or *needy individuals* as a subset of all patients.
 - For all EPs (except pediatricians) the minimum patient volume threshold is 30%; for pediatricians, it is 20%. EPs practicing at FQHCs/RHCs must demonstrate that more than 50% of clinical encounters occurred at an FQHC/RHC over a six-month period, with a minimum 30% patient volume from *needy individuals*.

- Needy individuals are those: (1) receiving medical assistance from Medicaid or the Children's Health Insurance Program; (2) who are furnished uncompensated care by the provider; or (3) who furnished services at either no or reduced cost based on a sliding scale.
- EPs cannot not be hospital-based. Hospital-based is defined to mean that 90% or more of services are performed in an **inpatient** or **emergency department** setting.
- An acute care hospital is a primary health care facility where the average length of patient stay is 25 days or fewer. Hospitals with an average length of stay of 25 days or fewer and with a CMS Certification Number (CCN) that has the last four digits in the series 0001 – 0879 or 1300-1399 are eligible.
- Only those hospitals that have CCNs in the 3300-3399 series will be considered children's hospitals.
- EPs may voluntarily assign their incentive payments to their employer or to state-designated entities that promote EHR adoption.

Payment

- EHs may receive incentives from Medicare *and* Medicaid. EPs must select one program. Medicaid EPs and EHs must select one state from which to receive their incentive in each year.
- In the Medicaid EHR Incentive Program, EPs can receive up to \$63,750; pediatricians with more than 20%, but less than 30% Medicaid patient volume will receive two-thirds of the maximum amount
- Hospital payments are based on a formula outlined in the law. This formula is as follows:

$$\begin{aligned}
 & \text{(Overall EHR Amount) * (Medicaid Share)} \\
 & \qquad \qquad \qquad \text{or} \\
 & \qquad \qquad \qquad \text{Overall EHR Amount} \\
 & \qquad \qquad \qquad \text{Equals} \\
 & \text{\{Sum over 4 year of [(Base Amount Plus Discharge Related Amount Applicable for} \\
 & \qquad \qquad \qquad \text{Each Year) * Transition Factor Applicable for Each Year]\} *} \\
 & \qquad \qquad \qquad \text{Medicaid Share} \\
 & \qquad \qquad \qquad \text{Equals} \\
 & \text{\{(Medicaid inpatient-bed-days + Medicaid managed care inpatient-bed-days) divided} \\
 & \qquad \qquad \qquad \text{by [(total inpatient-bed days) times (estimated total charges minus charity care} \\
 & \qquad \qquad \qquad \text{charges) divided by (estimated total charges)]\}}
 \end{aligned}$$

Adopting, Implementing, or Upgrading Certified EHR Technology

- In order to qualify for an incentive payment in the first year, EPs receiving Medicaid incentives may demonstrate that they have:
 - Adopted (e.g. acquired, purchased or secured access to)
 - Implemented (e.g., installed or commenced utilization of) or
 - Upgraded to certified EHR technology
- For Medicare incentives, EPs must meet federal meaningful use criteria in order to receive payment in the first and subsequent years.

Demonstrating Meaningful Use of Certified EHR Technology

For the purpose of this fact sheet, we have provided a brief summary of meaningful use requirements. MO HealthNet will provide additional details on meaningful use requirements in other materials available on our website.

Meaningful use focuses in two major areas. The first is demonstrating EHR use for a number of functional criteria. These include, but are not limited to, electronic prescribing, clinical decision support, computerized physician order entry, and patient demographic information. EPs must meet 15 defined functional criteria. EHs must meet 14 defined functional criteria. In addition, both EHs and EPs must choose 5 from a menu of 10 additional requirements to meet in the next two years.

The second meaningful use focus area is clinical quality measures. EHs must meet 15 such measures while EPs must meet a defined set of 3 measures and then choose an additional 3 measures from a menu of 38.

Resources

MO HealthNet is in the process of developing its plan to implement the Medicaid EHR Incentive Program. CMS is responsible for Medicare incentives. In the coming months, MO HealthNet will post additional materials and resources for EPs, EHs and partners. We invite you to check our website for these materials. In addition, the following websites may also be of use:

Missouri's HIT Assistance Center: <http://www.assistancecenter.missouri.edu/>
Federally-funded organization charged with helping certain primary care providers with meeting meaningful use guidelines.

Centers for Medicare and Medicaid Services:
<https://www.cms.gov/EHRIncentivePrograms/>
Federal agency charged with implementing the EHR Incentive Program.