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Meaningful Use

Medicare EHR Incentive Program
A summary of the EHR incentive program

- Established by 2009 HITECH Act. (Health Information Technology for Economic and Clinical Health)

- Provides incentive payments for demonstrated meaningful use of EHR technology. $63,750 over 6 years for Medicaid and $44,000 over 5 years for Medicare EPs (eligible providers).

- Doctors who do not adopt an EHR by 2015 will be penalized 1% of Medicare payments, increasing to 3% in 3 years.

- To be eligible for incentive payments doctors must demonstrate “meaningful use” as defined by CMS over 3 successive stages.
October 3, 2012 was the last day to begin measurements to receive the full $44,000 in Medicare incentive payments.

### EHR Payment Schedule

<table>
<thead>
<tr>
<th>ADOPTED IN...</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>NO ADOPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>$18,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td>$12,000</td>
<td>$18,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>$8,000</td>
<td>$12,000</td>
<td>$15,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>$4,000</td>
<td>$8,000</td>
<td>$12,000</td>
<td>$12,000</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>$2,000</td>
<td>$4,000</td>
<td>$8,000</td>
<td>$8,000</td>
<td>-1%</td>
</tr>
<tr>
<td>2016</td>
<td>$2,000</td>
<td>$4,000</td>
<td>$4,000</td>
<td>$4,000</td>
<td>-2%</td>
</tr>
<tr>
<td>2017</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-3%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$44,000</strong></td>
<td><strong>$44,000</strong></td>
<td><strong>$39,000</strong></td>
<td><strong>$24,000</strong></td>
<td></td>
</tr>
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</table>
The 3 stages of Meaningful use

• Note that Stage 2 implementation has been moved back until 2014 for those whose first year was 2011.
• 2014 is the last year that you can begin meaningful use and still receive any incentive payments.
Stage 1

- Requires a 90 day reporting period for the first year followed by full year reporting.

- Consists of 15 core objectives and 5 menu objectives (selected from a list of 10) which have specific thresholds for eligibility as well as 6 clinical quality measures which are simple data reporting.

- Objective is to demonstrate basic adoption of EHR technology and the ability to capture clinical data electronically.
Stage 2

- Final ruling issued in August of 2012 delayed the implementation of stage 2 until 2014 for EPs who started reporting in 2011 & 2012. EPs who attest in 2013 and beyond will transition from stage 1 after two years from initially reporting.

- In 2014 only, the attestation period for stage 2 will be 3 months, not the entire calendar year.

- Same basic attestation structure as stage 1 with several thresholds being raised and additional objectives added.

- Objective: Promote health information sharing between providers and greater patient engagement.
Stage 3

- **Objective:** Expand and solidify Meaningful Use objectives to improve health outcomes

- Currently under review and accepting comments until January 14, 2013 with a public meeting to be held in 1st quarter of 2013.

- Stage 3 recommendations can be found at:
  - [http://www.healthit.gov/sites/default/files/hitpc_stage3_rfc_final.pdf](http://www.healthit.gov/sites/default/files/hitpc_stage3_rfc_final.pdf)
Certified EHR technology

- The first requirement for any EPs wishing to attest for meaningful use is to acquire and implement a certified EHR technology.
- Certification requirements change from stage 1 to stage 2 and all EHR technology will need to have additional functionality and reporting capabilities to qualify EPs for the incentive program.

<table>
<thead>
<tr>
<th>Cost</th>
<th>In-Office</th>
<th>SaaS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Upfront Cost</td>
<td>Yearly Cost</td>
</tr>
<tr>
<td>Estimated Average Cost</td>
<td>$33,000</td>
<td>$4,000</td>
</tr>
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</table>
What’s Next?

- Increased reporting requirements, health information exchanges, and ACO's will continue to increase the pressure on medical practices to implement and effectively use EHR technology.

- Patients will increasingly be asked to actively participate in their health care decisions. Stage 2 requires that 5% of all patients access their health information and send secure electronic messages utilizing EHR technology.

- A strong EHR technology partner in conjunction with a sound implementation strategy makes meaningful use attainable for all practices.