



HITECH Incentives for Eligible Providers

Comparing Medicare and Medicaid Incentives

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Medicare versus Medicaid Qualifications

- Medicare EPs
 - Physicians (MD, OD)
 - Dentists
 - Dental Surgery
 - Podiatrist
 - Optometry
 - Chiropractor
- Medicaid EPs
 - Physicians (MD, DO)
 - Dentists
 - Certified Nurse Practitioners
 - Certified Midwives
 - Physician Assistant in FQHC and RHC



Medicare versus Medicaid Qualifications

- A Medicaid EP who begins by adopting, implementing, or upgrading certified EHR technology in the first year will be eligible for the incentive payments not in excess of the maximum amount. Under section 1903(t)(4) of the Act he or she is eligible to receive up the maximum first year Medicaid incentive payments discussed in the previous sections, plus additional incentive payments for up to 5 years for demonstrating meaningful use of certified EHR technology. In other words, these providers may participate in the Medicaid EHR incentive program up to 6 years.



Medicare versus Medicaid Qualifications

TABLE 15: Qualifying Patient Volume Threshold for Medicaid EHR Incentive Program

Entity	Minimum 90-day Medicaid Patient Volume Threshold	
Physicians	30%	Or the Medicaid EP practices predominantly in an FQHC or RHC – 30% “needy individual” patient volume threshold
Pediatricians	20%	
Dentists	30%	
Certified nurse midwives	30%	
Physician Assistants when practicing at an FQHC/RHC led by a physician assistant	30%	
Nurse Practitioner	30%	
Acute care hospital	10%	N/A
Children's hospital	N/A	N/A



Medicare versus Medicaid Qualifications

- General – Must have minimum of 30% Medicaid encounters of their total patient encounters.
- Pediatricians – Who have between 20-29% Medicaid encounters of total patient encounters can receive reduced payment of 66.7% of the incentive for other Medicaid EPS.
- Federally Qualified Health Clinics can include “needy patients” in their Medicaid encounter totals.



Medicare versus Medicaid Qualifications

TABLE 16: Maximum Incentive Payment Amount for Medicaid Professionals

Cap on Net Average Allowable Costs, per the HITECH Act	85 percent Allowed for Eligible Professionals	Maximum Cumulative Incentive over 6-year Period
\$25,000 in Year 1 for most professionals	\$21,250	\$63,750
\$10,000 in Years 2-6 for most professionals	\$8,500	
\$16,667 in Year 1 for pediatricians with a minimum 20 percent patient volume, but less than 30 percent patient volume, Medicaid patients	\$14,167	\$42,500
\$6,667 in Years 2-6 for pediatricians with a minimum 20 percent patient volume, but less than 30 percent patient volume, Medicaid patients	\$5,667	



Medicare versus Medicaid Qualifications

TABLE 17: Payment Scenarios For Medicaid EPs Who Begin Adoption in the First Year

Calendar Year	Medicaid EPs who begin adoption in					
	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



Medicare versus Medicaid Qualifications

Maximum Incentive Payments per Professional

Payment Year	Adoption Year	
	30% Professional	20% Pediatrician
Year 1	\$21,250	\$14,167
Year 2	\$8,500	\$5,667
Year 3	\$8,500	\$5,667
Year 4	\$8,500	\$5,667
Year 5	\$8,500	\$5,666
Year 6 (up to 2021)	\$8,500	\$5,666
Total	\$63,750	\$42,500



Medicare versus Medicaid Qualifications

- We refer readers to section II.A.5.b of this final rule, which discusses rules that would allow Medicare and Medicaid EPs to make one EHR incentive program election change prior to the 2015 payment year, and not to permit any switching after the 2014 payment year.



Medicare versus Medicaid Qualifications

- Hospitals may be eligible to receive both payments
- Medicaid Meaningful Use mirrors Medicare with exception to first year for Eligible Professionals
- States are *required* to verify eligibility and to assure there are no duplicate payments
- Must initially designate which state you wish to receive the Medicaid payment
- Hospital Based Providers are not eligible if 90% of their work is done for the Hospital

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Medicare versus Medicaid Qualifications

- Total payments of up to \$63,750 over a 6 year period.
- Program starts in 2011 and continues through 2021.
- Last year to apply is 2016.
- Professionals can skip years without losing total payments.
- Professionals are responsible for 15% of the “net average allowable costs” for the year.
- Net Allowable Costs include:
 - Electronic Health Records Software
 - Other related software costs (Must support Meaningful Use)
 - Hardware and network costs
 - Installation and training
 - Internet
 - Other costs such as personnel
 - Lost revenue cost (restrictions)

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Medicare versus Medicaid Qualifications

- Installation of ONC-ATCB certified electronic health records software. Related software costs must be ONC-ATCB certified and support “Meaningful Use Requirements” including:
 - Functionality
 - Interoperability
 - Privacy and Security
- Year 1 Criteria – (Attest Only)
 - Must Adopt, Implement or Upgrade to certified Electronic Health Record (EHR) software.
 - EHR costs can include current and prior year’s costs.
- Year 2-6 Criteria – (Demonstrate Meaning Use)
 - Must meet “Meaningful Use” requirements.
 - EHR costs can only include current year’s costs.
 - Demonstrate ability to exchange data
- EPs must qualify each year in order to receive that year’s payment.



Medicare versus Medicaid Qualifications

- **How do I apply –**
 - Must apply online through the National Level Registry (NLR) and
 - Must apply online through the State Level Registry (SLR)
 - NLR must approve application before State application can proceed.
- **What do I need to apply –**
 - National Provider Identifier (NPI)
 - Tax Identification Number (TN)
 - Mississippi Medicaid Provider Number
 - Taxonomy code
 - Licenses
 - AIU – Contract, Invoice, or Purchase Order
- **When can I apply – First Quarter of 2011**



Medicare versus Medicaid Qualifications

Section 1848(o)(1)(A)(i) of the Act provides that EPs who are meaningful EHR users during the relevant EHR reporting period are entitled to an incentive payment amount, subject to an annual limit, equal to 75 percent of the Secretary's estimate of the Medicare *allowed* charges for covered professional services furnished by the EP during the relevant payment year.



Medicare versus Medicaid Qualifications

....the EHR reporting period would be any continuous 90-day period within the first payment year and the entire payment year for all subsequent payment years.



Medicare versus Medicaid Qualifications

Calendar Year	Maximum Incentive Payments Based on the First CY in Which an EP Participates in the Program			
	2011	2012	2013	2014
2011	\$18,000			
2012	\$12,000	\$18,000		
2013	\$8,000	\$12,000	\$15,000	
2014	\$4,000	\$8,000	\$12,000	\$12,000
2015	\$2,000	\$4,000	\$8,000	\$8,000
2016		\$2,000	\$4,000	\$4,000
Total	\$44,000	\$ 44,000	\$39,000	\$24,000



Medicare versus Medicaid Qualifications

- However, all Medicare providers will have a payment reduction in 2015 if they are not demonstrating meaningful use, regardless of whether they participate in the Medicare or Medicaid EHR incentive program. Whether an EP, hospital or CAH is a meaningful user of certified EHR technology will continue to be determined on a year-by-year basis.



Medicare versus Medicaid Qualifications

- 2015 – 99 Percent of Medicare Physician fee schedule *covered* amount
- 2016 – 98 Percent of Medicare Physician fee schedule *covered* amount
- 2017 and each subsequent year – 97% of Medicare Physician fee schedule *covered* amount



Medicare versus Medicaid Qualifications

- If there are less than 75% Eligible Providers who are meaningful users in 2018 then the payment adjustment rate will continue to decrease by 1% until the adjustment reaches 95%



Medicare versus Medicaid Qualifications

http://www.cms.gov/EHRIncentivePrograms/20_RegistrationandAttestation.asp



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