



Taking Steps Now to Assess Your HITECH Readiness

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On February 17, 2009, President Obama signed into law the American Recovery and Reinvestment Act of 2009, also known as ARRA or the Stimulus Act, which, among other provisions, included specifications to modernize our country’s infrastructure, further our energy independence and improve affordable health care. A portion of ARRA, known as the Health Information Technology for Economic and Clinical Health Act, or “HITECH Act,” authorized an investment of approximately \$19 billion for Health Information Technology (HIT). Included in this amount are incentives for eligible professionals for the adoption and “meaningful use” of certified Electronic Health Record (EHR) technology.

Three alternative incentive programs for EHR were created by HITECH, including Medicare incentives, Medicaid incentives and Medicare Advantage Organization incentives. The Medicare incentive program provides for incentive payments to eligible professionals identified as follows: doctors of medicine or osteopathy, doctors of dental surgery or medicine, doctors of podiatric medicine, doctors of optometry and chiropractors. However, hospital-based eligible professionals do not qualify for incentive payments. Incentive payments are available to eligible professionals who demonstrate the meaningful use of certified EHR technology.

Medicare Incentive Provisions

Medicare incentives for eligible professionals under HITECH are based on an amount not to exceed 75 percent of estimated allowed charges for covered services, subject to maximum annual payment limits that vary by year and are based on the year in which incentive payments are first made. Table 1 below summarizes the maximum payments available to eligible professionals:

Table 1 – Maximum Payments Available to Eligible Professionals

Year	If First Payment Year is 2011	If First Payment Year is 2012	If First Payment Year is 2013	If First Payment Year is 2014	Years After 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	\$0
2016	0	2,000	4,000	4,000	0
2017	0	0	0	0	0
Total*	\$44,000	\$44,000	\$39,000	\$24,000	\$0

*Excludes 10 percent bonus payments to HPSA EPs.

Adjustment provisions are also mandated under HITECH, which serve to reduce payments to eligible professionals in years after 2014 at a rate of 1 percent per year, subject to a maximum reduction of payments of 5 percent under the authority of the Secretary of HHS.

Medicaid Incentive Provisions

Although eligible hospitals can receive both Medicare and Medicaid incentive payments, eligible professionals must select from one of the two programs. The Medicaid program incentives are available to physicians, dentists, certified nurse mid-wives, nurse practitioners, and physician assistants working in a rural health clinic or a federally qualified health center. Like the Medicare program, hospital-based professionals are excluded from the program. Certain minimum Medicaid patient volume thresholds must be met for an eligible professionals to qualify for the Medicaid program incentive, and payments are based on average allowable costs and capped at 85 percent of \$25,000 in the first year and 85 percent of \$10,000 in subsequent years.

Meaningful Use

HITECH requires that eligible professionals meet certain requirements for the adoption and meaningful use of certified EHR technology in order to qualify for incentive payments. In creating HITECH legislation, Congress mandated that the Centers for Medicare and Medicaid Services (CMS) define meaningful use and propose a matrix of requirements and deadlines for implementation. On December 30, 2009, CMS released its proposed rule on the EHR incentive program, which was published in the Federal Register on January 13, 2010.

The 2009 proposed rule contains initial meaningful use criteria, known as Stage 1 criteria, to be followed with gradually updated criteria in the future. Stage 1 criteria are focused on accomplishing the following:

- Electronically capturing health information in a coded format
 - Use captured information to track key clinical conditions
 - Communicate captured information for care coordination
- Implementing clinical decision support tools to facilitate disease and medication management
- Reporting clinical quality measures and public health information

The following summarizes the 25 specific objectives of the Stage 1 criteria for eligible professionals as set forth by CMS:

1. Implement drug-drug, drug-allergy, drug-formulary checks
2. Maintain an up-to-date problem list of current and active diagnoses
3. Maintain active medication list
4. Maintain active medication allergy list
5. Record demographics, such as preferred language, insurance type, gender, race, ethnicity, date of birth
6. Record and chart changes in vital signs, such as height, weight, blood pressure, body mass index, and growth
7. Record smoking status for patients 13 years old and older
8. Incorporate clinical lab test results into EHR as structured data

9. Generate list of patients by specific conditions to use for quality improvement, reduction of disparities, research and outreach
10. Implement five clinical decision support rules relevant to specialty or high clinical priority, including for diagnostic test ordering, along with the ability to track compliance with those rules
11. Check insurance eligibility electronically from public and private payers
12. Submit claims electronically to public and private payers
13. Perform medication reconciliation at relevant encounters and each transition of care
14. Provide summary care record for each transition of care referral
15. Demonstrate capability to submit electronic data to immunization registries and actual submission where required and accepted
16. Demonstrate capability to provide electronic syndromic surveillance data to public health agencies and actual transmission according to applicable law and practice
17. Protect electronic health information created or maintained by EHR technology through the implementation of appropriate technical capabilities
18. Use computerized provider order entry (CPOE)
19. Generate and transmit permissible prescriptions electronically
20. Report ambulatory quality measures to CMS or, in the case of Medicaid eligible professionals, the states
21. Send reminders to patients per patient preference for preventive/follow-up care
22. Provide patients with an electronic copy of their health information (including diagnostic test results, problem list, medication lists, and allergies) upon request
23. Provide patients with timely electronic access to their health information (including diagnostic test results, problem list, medication lists, and allergies) within 96 hours of the information being available to the eligible professional
24. Provide clinical summaries to patients for each office visit
25. Capability to exchange key clinical information among providers of care and patient-authorized entities electronically

CMS expects to release Stage 2 criteria by the end of 2011 and Stage 3 criteria by the end of 2013. CMS anticipates that the Stage 3 criteria will represent goals that are attainable by the end of the incentive programs. Payment years will determine which criteria will be used to measure whether an eligible professional is a meaningful user of EHR technology. Table 2 below summarizes the three stages by payment year:

Table 2 – Staged Meaningful Use Criteria by Payment Year

First Payment Year	Payment Year 2011	Payment Year 2012	Payment Year 2013	Payment Year 2014	Payment Years 2015 and later
2011	Stage 1	Stage 1	Stage 2	Stage 2	Stage 3
2012		Stage 1	Stage 1	Stage 2	Stage 3
2013			Stage 1	Stage 2	Stage 3
2014				Stage 1	Stage 3
2015					Stage 3

Clearly, as indicated in Table 2, late attainment of the meaningful use definition will require compliance with more complex Stage 2 or Stage 3 criteria. This, along with the prospect of reductions in reimbursement for eligible professionals who are not meaningful users by 2015, should represent an incentive for early adoption of the meaningful use criteria.

Documenting Meaningful Use

The EHR reporting period for eligible professionals is defined as any continuous 90-day period within a calendar year for the first payment year and the entire calendar year for the second, third, fourth, fifth, and sixth payment years. To qualify for payment in 2011, eligible professionals must attest to satisfaction of the aforementioned Stage 1 objectives during the reporting period via a secure mechanism in a manner specified by CMS for Medicare eligible professionals or the state for Medicaid eligible professionals. Medicaid eligible professionals must also demonstrate meeting the state's CMS-approved additional criteria for meaningful use by way of a secure mechanism approved by CMS. The EHR reporting period must be specified, and the eligible professional must provide the result of each applicable measure for all patients seen during the EHR reporting period for which a selected measure is applicable. Additionally, the eligible professional must attest that certified EHR technology was used during the reporting period. However, if a Medicaid eligible professional has adopted, implemented, or upgraded certified EHR technology, the provider must demonstrate meaningful use in the second payment year.

For 2012 and all payment years thereafter, eligible professionals must attest to all items attested to in 2011 except that "report ambulatory quality measures to CMS or, in the case of Medicaid EPs, the states" criteria should report electronically to CMS, or the state for Medicaid EPs, clinical quality information in the approach specified by CMS.

Certification Criteria

A qualified EHR is one that encompasses certain fundamental requirements to identify the patient and provide medical history. It also has the capacity to furnish clinical decision support, support physician order entry, capture and query information as it relates to quality of care, and exchange and integrate such information. Only a qualified EHR is suitable to become certified EHR technology, and thus eligible for submission to CMS as the basis for an incentive payment. Certified EHR technology must be a qualified EHR and have been tested and certified in accordance with the certification program created by the national coordinator. Certified EHR technology may be either a complete EHR, which is a single system that has been developed to meet all applicable certification criteria adopted, or a compilation of EHR modules that, when combined, form an EHR capable of being certified.

The standards and implementation specifications for certified EHR technology are grouped into four basic categories. Transport exchange standards establish a universal and secure communication protocol among systems. Content standards, which have been adopted from a multitude of sources and existing standards, are used to share prescription information and clinical summaries. Uniform nomenclatures and codes used to describe clinical procedures, medications, allergies and other issues are established within the vocabulary standards. Lastly, in addition to HIPAA's requirements for securing electronic health information, certified EHR technology must meet several more encryption and tracking requirements in order to fulfill the privacy and security standards.

In Stage 1, each of the 25 meaningful use objectives for eligible professionals and eligible hospitals carries with it specific certification criteria to support the achievement of the objectives. The ability to achieve the certification criteria must be inherent in a complete EHR or EHR module.

How to Assess Your Meaningful Use Readiness

A thorough technical and cultural analysis must be conducted in order to define the standard for achieving meaningful use. If an EHR is already in place, one must evaluate the currently implemented EHR system. EHRs that have been previously certified by the Certification Committee for Healthcare Information Technology (CCHIT), which presently serves as a recognized U.S. certification authority for EHR technology, likely encompass many of the clinically oriented capabilities required for certified EHRs under the Stimulus Act. All of the previously CCHIT-certified EHRs are not expected to meet ARRA certification criteria. However, because of such issues as a reduction in the number of CCHIT-certified EHRs in the marketplace due to mergers and acquisitions, as well as the likelihood that some previously CCHIT-certified EHRs will be tested and certified as EHR modules rather than complete EHRs.

Various resources are available to assist with readiness assessment, including scorecards and independent readiness assessment audits. Such resources can aid by defining the methodology and strategy used in designing and implementing the EHR system, addressing resource utilization and workflow challenges, creating performance evaluation tools and sustaining a satisfactory level of performance.

Why Now?

An early transition to achieving meaningful use of certified EHR technology is beneficial to both the patient and the provider. As for the patient, the sooner EHR gains acceptance and is widely utilized, the sooner quality and efficiency of patient care will improve. As quality of patient care improves, malpractice suits may diminish, in effect lowering provider insurance premiums. With early adoption of EHR technology, the provider benefits by cashing in on larger incentive payments, as available incentive payments decrease when Stage 1 criteria are adopted post-2012. As Stage 2 and Stage 3 criteria are implemented, the complexity of the meaningful use definition will heighten. Thus, an early adoption will likely allow ease of transition for the provider and its staff.

About the Author: Greg Anderson is a partner at HORNE LLP where he serves as the director of HORNE's health care valuation services group. HORNE LLP is one of the top 50 accounting and business advisory firms in the country, as reported by the Public Accounting Report (PAR), and one of the top 10 accounting and business advisory firms in the Southeast. With 13 offices in Mississippi, Tennessee, Alabama, Louisiana, Texas and Arizona, the firm has more than 475 team members serving clients across the nation. For more information on HORNE, visit www.horne-llp.com.