



Maximizing Stimulus Incentives for Your Organization

On February 17th, President Obama signed the 2009 American Recovery and Reinvestment Act, allocating \$19.2 billion for health information technology. The provision of the legislation known as the HITECH Act will be distributed as follows:

- \$17.2 billion incentive payments for EHR use.
- \$2 billion is available for grants and loans for health information technology advancement.

When coupled with existing measures, these funds represent significant income opportunities for **existing EHR users** and to assist **new users with adoption related costs**.

The maximum potential incentives available are as follows:

	Private Practice	Non-FQHC Safety Net	FQHC*
Medicare HITECH Incentive	\$48,400 per provider	\$48,400 per provider	\$48,400 per provider
Medicaid HITECH Incentive	-	\$65,000 per provider	\$65,000 per provider
e-Prescribing Bonus	2% Bonus	2% Bonus	-
Medicare PQRI	2% Bonus	2% Bonus	-
Medicare MCMP	\$12,500 per provider	\$12,500 per provider	-

* The e-prescribing, PQRI, and MCMP incentives are based on the Medicare Physician Fee Schedule, hence excluding FQHCs.

Providers not currently on an EHR who wish to take greatest advantage of the incentives should begin the selection process now in order to be implemented by 2011. Existing EHR users should ensure that they meet the requirements for each incentive program and bring on board any other providers in their organization still reluctant to make the change.

Summaries of each opportunity, adoption requirements, and details about how TempDev can partner with you to maximize your bonuses are provided below. Some initiatives are still in the defining stages; please utilize our website (www.tempdev.net) and blog (www.tempdev.net/blog) for updates as new information becomes available.

HITECH Act

The HITECH Act was created to encourage EHR adoption and stimulate the economy by providing direct bonuses to providers. Both new and existing EHR users qualify for the incentives.

Many of the detailed requirements of the HITECH Act are awaiting the new Health and Human Services Secretary for final definition. What is known so far is:

- Qualifying EHRs must meet certification standards defined by the HHS Secretary. This is expected to be the existing CCHIT certification, which already includes NextGen. At a minimum, certified EHRs will need to be capable of:
 - Providing clinical decision support.
 - Supporting physician order entry.
 - Capturing and querying information relevant to health care quality.
 - Exchanging electronic health information from other sources.
- The provider must be able to demonstrate “meaningful use” which includes:
 - Electronic exchange of information to improve quality and care coordination, including e-prescribing.
 - Reporting on quality measures.

Some requirements, like e-prescribing and quality measures reporting, also have their own incentive opportunities. These requirements are “two for one”, allowing you to receive incentives from both the individual incentives and HITECH.

The act provides incentives from Medicare for all providers and additional incentives from Medicaid for safety net providers.

Medicare Incentive

Medicare will provide up to \$44,000 per provider, broken down in yearly payments as shown below. After 2012 the incentives decrease, becoming zero in 2015. An additional 10% is provided for physicians operating in a designated Health Professional Shortage Area (HPSA) (go to <http://hpsafind.hrsa.gov/HPSASearch.aspx> to determine if you are located in an HPSA).

	Current User	Adopt in 2011	Adopt in 2012	Adopt in 2013	Adopt in 2014
2011	\$18,000	\$18,000	-	-	-
2012	\$12,000	\$12,000	\$18,000	-	-
2013	\$8,000	\$8,000	\$12,000	\$15,000	-
2014	\$4,000	\$4,000	\$8,000	\$12,000	\$15,000
2015	\$2,000	\$2,000	\$4,000	\$8,000	\$12,000
2016	-	-	\$2,000	\$4,000	\$8,000
TOTAL	\$44,000	\$44,000	\$44,000	\$39,000	\$35,000
HPSA	\$48,400	\$48,400	\$48,400	\$42,900	\$38,500

After 2015, CMS will begin introducing penalties against providers not utilizing an EHR by decreasing reimbursement.

The method for reporting to Medicare is awaiting the new HHS Secretary's definition. Subscribe to our blog to receive an update as soon as this information becomes available.

Medicaid Incentive

Medicaid may provide up to \$65,000 per provider, also broken down in yearly payments as shown below. To receive funding, providers must qualify by 2016.

Unlike the Medicare plan, the exact payments for the Medicaid plan are not fully determined. The HHS Secretary will gather data to determine the average costs associated with the installation, adoption, maintenance, and support of certified EHRs. The Medicaid incentive will be no more than 85% of these average costs. If the Secretary determines the average cost per provider over five years to be less than \$76,500, the Medicaid payments could be reduced.

This money is available either separately or in conjunction with the Medicare incentive, although the Medicare payment will be credited towards the Medicaid payments if both are utilized. While the Medicaid payments allow for greater potential income and a longer adoption window than the Medicare program, the requirements are much more complicated and less defined.

Under the Medicaid plan, qualifying providers must have a patient population comprised of at least 30% needy patients. Pediatrics with a 20% needy population qualify for 2/3 payment, while those with 30% qualify for the full amount. The legislation defines a needy patient as covered by Medicaid, receiving services under Title XXI, unable to pay, or receiving services on a sliding scale due to inability to pay.

	Current User	Adopt in 2011	Adopt in 2012	Adopt in 2013	Adopt in 2014	Adopt in 2015	Adopt in 2016
2011	\$25,000	\$25,000	-	-	-	-	-
2012	\$10,000	\$10,000	\$25,000	-	-	-	-
2013	\$10,000	\$10,000	\$10,000	\$25,000	-	-	-
2014	\$10,000	\$10,000	\$10,000	\$10,000	\$25,000	-	-
2015	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$25,000	-
2016	-	-	\$10,000	\$10,000	\$10,000	\$10,000	\$25,000
2017	-	-	-	\$10,000	\$10,000	\$10,000	\$10,000
2018	-	-	-	-	\$10,000	\$10,000	\$10,000
2019	-	-	-	-	-	\$10,000	\$10,000
2020	-	-	-	-	-	-	\$10,000
TOTAL	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000

Our website will be updated as details, including the actual incentive amount chosen by the Secretary, are determined. Subscribe to our blog to receive an update as soon as this information becomes available.

Grants

The stimulus act also provides grant monies aimed at Community Health Centers, Rural Health Centers, and Indian Health Centers. Some of this money will come from HITECH while others will come from other provisions elsewhere in the stimulus:

- \$4.7 billion for the National Telecommunications and Information Administration's Broadband Technology Opportunities Program.
- \$2.5 billion for the U.S. Department of Agriculture's Distance Learning, Telemedicine, and Broadband Program.
- \$1.5 billion for the community health centers through the Health Resources and Services Administration.
- \$500 million for the Social Security Administration.
- \$85 million for the Indian Health Service.
- \$50 million for the Veterans Benefits Administration.

E-Prescribing Bonus

Beginning January 1, 2009, Medicare began offering a bonus to providers utilizing a qualifying e-prescribing system. The bonus is based on a percentage of the Medicare Physician Fee Schedule and runs through 2014. Providers not utilizing a qualifying e-prescribing system by 2012 will see a reduction in their Medicare Physician Fee Schedule.

Year	Bonus	Penalty
2009	2.0%	-
2010	2.0%	-
2011	1.0%	-
2012	1.0%	-0.5%
2013	0.5%	-1.0%
2014	-	-2.0%

A qualifying e-prescribing system must incorporate the following functionality:

- Select medications, transmit prescriptions electronically, and warn the prescriber of possible undesirable or unsafe situations.
- Generate an active medication list incorporating electronic data received from applicable pharmacies and benefit managers.
- Provide information on lower-cost, therapeutically-appropriate alternatives.
- Provide information on formulary or tiered formulary medications, patient eligibility, and authorization requirements transmitted electronically from the patient's drug plan.

The medication module included with NextGen's 5.5.27 Hot Fix 1, using SureScripts and RxHub, complies with the requirements.

Providers must report one of three HCPCS codes on at least 50% of their Medicare claims. Incentive payments for each year will be made by the middle of the following year.

PQRI

The Physician Quality Reporting Initiative (PQRI) provides up to 2% additional reimbursement based on providers' Medicare Physician Fee Schedule. For 2009, the reporting program is based on 153 quality measures gathered by your EHR and submitted on Medicare claims using special HCPCS codes developed specifically for reporting. To qualify, providers select at least three quality measures which must be reported on at least 80% of Medicare claims.

A limited number of PQRI measures are available within the NextGen KBM templates. Additional measures can be added with relative ease. Claim edits can be created in EPM to ensure that the reporting codes are being included on all applicable Medicare claims. NextGen also plans to release their Health Quality Measures Database that to help facilitate reporting.

MCMP

The Medicare Care Management Performance (MCMP) program provides a one-time incentive for reporting quality measures and then additional yearly incentives for performance against those quality measures. MCMP utilizes an electronic database called MCMP-PAT through which providers enter the quality measures for a pre-defined patient population.

		2007	2008-2010
Pay for Reporting	Max Per Physician	Up to \$1000	-
	Max Per Location	Up to \$5000	Up to \$10,000
Pay for Performance	Max Per Physician	-	Up to \$10,000
	Max Per Location	-	Up to \$25,000
EHR Bonus		-	Additional 25%

MCMP-PAT users can either manually enter the data or can use a flat file feed from their EHR's database into the tool. Providers using a CCHIT certified EHR are entitled to an additional 25% on top of their bonus. When NextGen's Health Quality Measures Database tool becomes available, providers will be able automatically send the data to MCMP-PAT.

Additional Incentives

Many additional private and public financial incentives are available, including:

- Payer incentives – Payers are offering significant incentives for EHR use. Ask your payer representatives to find out what is available.
- Hospitals – Through the Stark Law exceptions, hospitals can provide EHR subsidies to providers. This money is sometimes funneled through local medical groups (eg IPAs, MSOs). Check with your hospitals and medical groups to determine what's available in your area.

- Local governments – Most state and local governments are offering additional programs. A helpful search tool, located at <http://ehrdecisions.com/incentive-programs>, can provide information on programs applicable to you.
- Pharmaceutical Companies and Research – Pharmaceutical companies and research groups, including universities, will sometimes provide payment for de-identified patient health information.

Partnering with TempDev to Maximize Incentives

TempDev has become a forefront leader in maximizing incentives for the EHR community and we would like to partner with you to ensure you're optimally positioned to take full advantage of this unique opportunity.

TempDev offers a variety of services to assist you in meeting the requirements for the incentive programs:

- TempDev Connects – To satisfy the meaningful use provisions of HITECH, we provide a wide range of interoperability solutions including lab orders and results, device integration, PHR interoperability, and custom interface development.
- E-Prescribing Reporting – We offer a zero click plug and play template package that provides for the automatic inclusion of e-prescribing HCPCS codes.
- Quality Measure Tracking – Through Crystal Reports and/or population management templates, we allow your providers to easily track their adherence to pay for performance quality standards required by HITECH, PQRI, and MCMP.
- Health Quality Measures Database – NextGen's Health Quality Measures Database provides limited out of the box quality measure reporting. This highly robust tool can be configured to meet your own pay for performance reporting needs.
- Increased Adoption – Every EHR implementation has a few "hold outs" that would not qualify as meaningful users. Utilizing our clinical workflow consulting, we can strategically pin-point and develop solutions that will ease adoption for these reluctant users.
- Specialties – With the unique background of developing content directly for the KBM, we are able to quickly develop whole specialties or enhance existing ones to bring up providers not currently on your EHR due to lack of content.

Please contact us to discuss your organization's potential for maximizing these incentives.

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Disclaimer: The information provided in this white paper is not intended to constitute legal or financial advice. TempDev encourages you to consult your attorney and financial advisor prior to making any legal and/or financial decisions.