

An Overview of the EHR Incentive Payment Program for Eligible Hospitals

Provided below are responses to common questions on Stage 1 Meaningful Use and electronic health record (EHR) incentive payments. Responses are based on the CMS rule. However, this is not intended to be official guidance. We encourage you to work with Hawai'i Pacific Regional Extension Center (REC) to make sure you and your practice qualify for incentives.

1. How much money can I receive in incentives and what is the payment timeline?

Eligible Hospitals Medicare Payment Timeline

- Once a hospital or critical access hospital (CAH) is a meaningful user of a certified EHR system, they can begin receiving in any year from fiscal year (FY) 2011 to FY 2015
- Incentive payments will decrease for hospitals when starting in 2014 or later.
- Incentive payments will decrease for CAHs when starting in 2013 or later.
- Hospitals and CAHs that are not meaningful users of certified EHR technology beginning in FY 2015 will be subject to payment adjustments.
- In no case will a CAH receive a payment for more than four years.

Eligible Hospitals Medicaid Payment Timeline

- Once a hospital is a meaningful user of a certified EHR system, they can begin receiving in any year from fiscal year (FY) 2011 to FY 2016.
- The last year a hospital can first receive a payment is 2016.

Incentive Program Payments

- Both the Medicare and Medicaid EHR incentive programs for hospitals are based on a Federal fiscal year. The amount of the incentives for each year is based on a number of factors, beginning with a \$2 million base payment. The incentives are provided to the hospital, rather than the individual, as in the EHR incentive program for eligible professionals. For more details, contact your Hawai'i Pacific Regional Extension Center technology consultant.

2. When can I apply?

Medicare	Medicaid
<ul style="list-style-type: none"> • Fall 2010 – Certification of EHR vendors will start • 2011-2012 – Clinicians can begin using a certified EHR in a meaningful manner (must use for 90 days) • Jan. 2011 – Registration with CMS can begin • April 2011 – Attestation of Meaningful Use begins • May 2011 – CMS payments will begin 	<p>Medicaid EHR incentives will be managed by states. Timelines TBD.</p>

3. Which incentive program is best for me – Medicare or Medicaid?

This decision will be based on a number of factors, especially patient mix. Medicaid incentives are more generous, but also come with different requirements. Some key differences are provided below.

Key Differences in the Two Incentive Programs

Medicare	Medicaid
Feds will implement (will be an option nationally)	Voluntary for States to implement (may not be an option in every State)
Fee schedule reductions begin in FY 2015 for hospitals and CAHs that are not meaningful users	No Medicaid fee schedule reductions
Incentive payments will decrease for hospitals when starting in 2014 or later and in 2013 for CAHs	Once a hospital is a meaningful user of a certified EHR system, they can begin receiving in any year from fiscal year (FY) 2011 to FY 2016
Must be a meaningful user in Year 1	Adopt/Implement/Upgrade option for 1 st participation year
Meaningful Use definition will be common for Medicare	States can adopt a more rigorous definition (based on common definition)
Last year hospitals or CAHs can begin receiving incentives is FY 2015	Last year a hospital or CAH may begin receiving incentives is FY 2016

4. Where do I begin?

Step 1: Sign up to work with the Hawai'i Pacific Regional Extension Center's expert staff.

Step 2: Work with the Hawai'i Pacific REC staff to determine which category of incentives best meets your profile:

- Medicare Incentives or
- Medicaid Incentives

For additional information on how the Hawai'i Pacific REC can help you with Meaningful Use and the EHR Incentive Program, please contact Tom Cannon at tcannon@mpqhf.org or 808-440-6024.