

Meaningful Use Timeline

Eligible Hospitals and CAHs (Federal Fiscal Year Base)

Year One:

- October 1, 2010 – Reporting year begins for eligible hospitals and CAHs.
- July 3, 2011 – Last day for eligible hospitals to begin their **90-day reporting period** to demonstrate meaningful use for the Medicare EHR Incentive Program.
- September 30, 2011 – Last day of the federal fiscal year. Reporting year ends for eligible hospitals and CAHs.
- November 30, 2011 – Last day for eligible hospitals and critical access hospitals to register and attest to receive an Incentive Payment for Federal fiscal year (FY) 2011.

Second year: (one year reporting period)

- October 1, 2011 – Reporting period begins.
- September 30, 2012 – Reporting period ends.
- November 30, 2012 for attestation in CY 2013.

Eligible Professionals (Calendar Year Base)

Year One:

- January 1, 2011 – Reporting year begins for eligible professionals.
- October 1, 2011 – Last day for eligible professionals to begin their 90-day reporting period for calendar year 2011 for the Medicare EHR Incentive Program.
- December 31, 2011 – Reporting year ends for eligible professionals.
- February 29, 2012 – Last day for eligible professionals to register and attest to receive an Incentive Payment for calendar year (CY) 2011.

Second year: (one year reporting period)

- January 1, 2012 – Reporting period begins.
- December 31, 2012 – Reporting period ends.
- February 2013 for attestation in CY 2013.

Medicare (National Level Registry)

- January 3, 2011 – Registration for the Medicare EHR Incentive Program begins.
- April 2011 – Attestation for the Medicare EHR Incentive Program begins.
- May 2011 – EHR Incentive Payments expected to begin.

Medi-Cal (State Level Registry)

- January 3, 2011 – For Medicaid providers, states may launch their programs if they so choose.
 - ??? 2011 – Attestation for the Medicaid EHR Incentive Program begins.
 - ??? 2011 – EHR Incentive Payments expected to begin.
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MEDICARE ELIGIBLE PROFESSIONALS (EPs)

A Medicare EP is a doctor of medicine or osteopathy, a doctor of dental surgery or dental medicine, a doctor of podiatric medicine, a doctor of optometry, or a chiropractor, who is legally authorized to practice under state law. A qualifying EP is one who successfully demonstrates meaningful use for the EHR reporting period.

Hospital-based EPs who furnish substantially all their services in a “hospital setting” are not eligible for incentive payments. The Continuing Extension Act of 2010 modified the definition of a hospital-based EP as performing substantially all of their services in an inpatient hospital setting or emergency room. The rule has been updated to reflect this. Hospital-based EPs are now defined as EPs who furnish 90 percent or more of their allowed services in a hospital inpatient setting, or hospital emergency department.

A qualifying EP can receive EHR incentive payments for up to five years with payments beginning as early as 2011. In general, the maximum amount of total incentive payments that an EP can receive under the Medicare program is \$44,000.

- For the first year for which an EP applies for and receives an incentive payment, the EHR Reporting Period is 90 days for any continuous period beginning and ending within the year. For every year after the first payment year, the EHR reporting period is the entire year.
- A Payment Year equals a Calendar Year (CY). Incentive payments for this program end after 2016.
- A qualifying EP will receive an incentive payment equal to 75 percent of Medicare allowable charges for covered professional services furnished by the EP in a payment year, subject to maximum payments.
- In general, a qualifying EP can receive an annual incentive payment as high as \$18,000 if their first payment year is 2011 or 2012. Otherwise, the annual incentive payment limits in the first, second, third, fourth, and fifth years are \$15,000, \$12,000, \$8,000, \$4,000, and \$2,000 respectively. In general, the maximum amount of total incentive payments that an EP can receive under the Medicare program is \$44,000.
- An EP who predominantly furnishes services in a geographic Health Professional Shortage Area (HPSA) is eligible for a 10 percent increase in the maximum incentive payment amount. The maximum amount of total incentive payments that such an EP can receive under the Medicare program is \$48,400.

· Payment calculations for EPs who first demonstrate meaningful use in 2014 will be made as if they began meaningful use in 2013. (That is, if an EP were to first demonstrate meaningful use in 2014, the EP would receive \$12,000 for that year, the second year's amount as if they had begun in 2013). The last year for which an EP can begin receiving incentive payments in this program is 2014. The total maximum EHR incentive payment amounts for Medicare EPs is outlined in the table below:

Calendar Year	First CY for which the EP Receives an Incentive Payment				2015 and subsequent years
	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	\$0
2016	---	\$2,000	\$4,000	\$4,000	\$0
TOTAL	\$44,000	\$44,000	\$39,000	\$24,000	\$0

- EPs who meet the eligibility requirements for both the Medicare and Medicaid EHR Incentive Programs may participate in only one program, and must designate the program in which they would like to participate. After a payment is made, EPs will be allowed to change their program selection once before 2015.
- Payments under Medicare will be disbursed through a single payment contractor to the Tax Identification Number (TIN) provided by the qualifying EP.
- Provided they meet certain conditions, EPs can reassign the entire amount of their incentive payment to one employer or entity.
- Incentive payments also will be made to qualifying Medicare Advantage (MA) organizations for the adoption and meaningful use of EHR technology by their affiliated EPs.
- MA-Affiliated EPs must furnish, on average, at least 20 hours/week of patient-care services and be employed by the qualifying MA organization; -or must be employed by, or be a partner of, an entity that through contract with the qualifying MA organization furnishes at least 80 percent of the entity's Medicare patient care services to enrollees of the qualifying MA organization.
- EPs who do not successfully demonstrate meaningful use of certified EHR technology will be subject to payment adjustments for their covered professional services beginning in 2015. MA organizations will also be subject to payment adjustments if their affiliated EPs do not demonstrate meaningful use of certified EHR technology beginning in 2015.

MEDICARE ELIGIBLE HOSPITALS An eligible hospital for Medicare incentive payments is a “subsection (d) hospital” that is paid under the hospital inpatient prospective payment system (IPPS). Hospitals must be located in one of the 50 states or the District of Columbia .

- Eligible hospitals may receive incentive payments for up to four years, beginning with fiscal year beginning 2011 (October 1, 2010 – September 30, 2011), provided they successfully demonstrate meaningful use of certified EHR technology.
- Eligible hospitals may qualify to receive payments from both the Medicare and Medicaid EHR Incentive Programs.
- A qualifying hospital is an eligible hospital that successfully demonstrates meaningful use of certified EHR technology for the EHR reporting period during a payment year. A Payment Year is a Federal Fiscal Year (FFY).
- For the first year an eligible hospital demonstrates meaningful use of certified EHR technology, the EHR Reporting Period equals any 90 continuous days beginning and ending within the year. For every year thereafter, the EHR reporting period is the entire year.
- Eligible hospitals may qualify to receive incentive payments for up to four years beginning in FY 2011. The last year for which an eligible hospital can begin receiving incentive payments for this program is 2015.
- The incentive payment for each eligible hospital will be calculated based on
 1. An initial amount which is the sum of a \$2 million base amount and the product of a per discharge amount (of \$200) and the number of discharges (for discharges between 1150 and 23,000 discharges) ;
 2. the Medicare share which has as its numerator Medicare fee-for-service and managed care acute-care inpatient bed-days and as its denominator the product of total acute care inpatient days and the percentage of hospital’s total charges that are not attributed to charity care; and
 - (3) a transition factor which phases down the incentive payments over the four year period.

Incentive Payment Calculation for Eligible Hospitals:

- Incentive Payment Amount equals [Initial Amount] x [Medicare Share] x [Transition Factor]
- o **Initial Amount** equals \$2,000,000 + [\$200 per discharge for the 1,150th – 23,000th discharge]
- o Medicare Share equals *Medicare/(Total*Charges)*

Medicare equals [number of Acute Care Inpatient Bed Days for Beneficiaries Where Payment May be Made under Part A] plus [number of Acute Care Inpatient Bed Days for MA Beneficiaries]

Total equals [number of Total Acute Care Inpatient Bed Days]

Charges equals [Total Charges minus Charges for Charity Care*] divided by [Total Charges]

*If data on charity care are not available, then the Secretary will use data on uncompensated care as a proxy. If the proxy data are also not available, then “Charges” will be equal to 1.

· **Transition Factor**

Consecutive Payment Year	Transition Factor
1	1
2	$\frac{3}{4}$
3	$\frac{1}{2}$
4	$\frac{1}{4}$

· For eligible hospitals that begin to be meaningful EHR users after 2013, their payment calculations will be made as if they began meaningful use in 2013. Their transition factor is modified accordingly. (For instance, if a hospital were to begin EHR meaningful use in 2014, the transition factor used for that year would be $\frac{3}{4}$, as if 2014 were the second payment year for a meaningful user starting in 2013 and so on for subsequent years).

Transaction Factor for Medicare FFS Eligible Hospitals

Fiscal Year	Fiscal Year that Eligible Hospital First Receives the Incentive Payment				
	2011	2012	2013	2014	2015
2011	1.00	---	---	---	---
2012	0.75	1.00	---	---	---
2013	0.50	0.75	1.00	---	---
2014	0.25	0.50	0.75	0.75	---
2015	---	0.25	0.50	0.50	0.50
2016	---	---	0.25	0.25	0.25

· Payment adjustments begin in FY 2015 for hospitals that do not demonstrate meaningful use of certified EHR technology.

- Incentive payments will be made to qualifying Medicare Advantage (MA) organizations for the adoption and meaningful use of EHR technology by their affiliated eligible hospitals.
- A MA-affiliated hospital is an eligible hospital that is under common corporate governance with the MA organization and primarily serves individuals enrolled in MA plans offered by the MA organization.
- The annual payment update for inpatient hospital services for eligible hospitals that are not meaningful EHR users will be reduced beginning in FY 2015. MA organizations will be subject to payment reductions if their affiliated hospitals are not meaningful EHR users beginning in FY 2015.

CRITICAL ACCESS HOSPITALS (CAHs)

- A qualifying CAH is a certified critical access hospital that **meets the definition of a meaningful EHR user for an eligible “subsection (d)” hospital.**
- CAHs can qualify to receive payments from both the Medicare and Medicaid EHR Incentive Programs.
- Qualifying CAHs may receive incentive payments for up to four payment years beginning with cost reporting periods that begin in FY 2011. The year with a cost reporting period that begins in FY 2015 is the last payment year for which a qualifying CAH can receive incentive payments as a meaningful EHR user.
- Qualifying CAHs can receive incentive payments for the reasonable costs incurred for the purchase of depreciable assets like computers and associated hardware and software, necessary to administer certified EHR technology, excluding any depreciation and interest expenses associated with the acquisition.
- A qualifying CAH will receive an incentive payment amount equal to the product of its reasonable costs incurred for the purchase of certified EHR technology and its Medicare share percentage. The Medicare share percentage equals the lesser of (1) 100 percent; or (2) the sum of the Medicare share fraction for the CAH and 20 percentage points.
- Payment adjustments begin in FY 2015 for CAHs that are not meaningful EHR users.

Additional information on the Medicare and Medicaid EHR Incentive Programs, including a link to the text of the final rule, can be found at <http://www.cms.gov/EHRIncentivePrograms>.

Reference:

<https://www.cms.gov/apps/media/press/factsheet.asp?Counter=3792&intNumPerPage=10&checkDate=&checkKey=&srchType=1&numDays=3500&srchOpt=0&srchData=&keywordType=All&chkNewsType=6&intPage=&showAll=&pYear=&year=&desc=&cboOrder=date>

Table: Differences between Medicare and Medicaid

Medicare	Medicaid
Federal Government will implement (will be an option nationally)	Voluntary for States to implement (may not be an option in every State)
Payment reductions begin in 2015 for providers that do not demonstrate Meaningful Use	No Medicaid payment reductions
Must demonstrate MU in Year 1	A/I/U option for 1 st participation year
Maximum incentive is \$44,000 for EPs (bonus for EPs in HPSAs)	Maximum incentive is \$63,750 for EPs
MU definition is common for Medicare	States can adopt certain additional requirements for MU
Last year a provider may initiate program is 2014; Last year to register is 2016; Payment adjustments begin in 2015	Last year a provider may initiate program is 2016; Last year to register is 2016
Only physicians, subsection(d) hospitals and CAHs	5 types of EPs, acute care hospitals (including CAHs) and children's hospitals