

A Stimulating Opportunity

Resource available in Tennessee to hospitals, physicians for stimulus dollars

The pressure is on for states and providers to adopt health information technology (HIT) and the recently passed economic stimulus package provides at least partial funding.

Under the American Recovery and Reinvestment Act (ARRA), approximately \$19 billion has been allocated to Medicare and Medicaid programs for the purpose of increasing reimbursements to hospitals and physicians who become meaningful electronic health record (EHR) users.

According to the ARRA, if a physician or hospital becomes a meaningful EHR user after 2014, they are not entitled to any incentive payments.

In order to become a meaningful EHR user under the Medicare program and qualify for full payment of stimulus dollars, providers must demonstrate that they are using certified EHR technology.

The technology must be connected in a manner that provides for the electronic exchange of health information to improve the quality of health and they must submit information on clinical quality measures.

Incentives will begin in 2011, with those achieving meaningful adoption receiving incentives for up to five years. The maximum available for those qualifying in 2011 is \$44,000. After 2014, anyone who treats Medicare patients without an EHR will see reimbursements decrease by 1 percent that year. The pay cut grows to 2 percent in 2016 and 3 percent in 2017 and every year afterwards.

Last year, Congress applied the same carrot-and-stick approach to e-Prescribing in the Medicare Improvements for Patients and Providers Act of 2008 (MIPPA). Those who e-Prescribe in 2009 and in 2010 qualify for a 2 percent raise based on their total Medicare revenue.

The bonus decreases to 1 percent in 2011 and 2012, to 0.5 percent in 2013, and then disappears (physicians who receive the EHR bonus cannot receive the e-prescribing bonus). MIPPA also imposes a 1 percent penalty on physicians

who do not begin e-prescribing by 2012. The penalty increases to 1.5 percent in 2013 and to 2 percent in 2014 and beyond.

Details of the Medicaid health IT dollars are not as clear, but under the Medicaid incentive program, a larger group of medical professionals are eligible for the funds, as long as they serve a sufficient percentage of Medicaid patients.

Unlike Medicare, which only funds doctors and hospitals, eligible professionals under Medicaid include a physician, dentist, certified nurse mid-wife, nurse practitioner, and a physician assistant serving in rural health clinics or federally qualified health centers. Medicaid payouts are also more significant.

Across five years, practitioners could collect a sum total of \$64,000. This is a maximum total based on paying up to 85% of expenses for an EHR purchase. The first year reimbursement is equivalent to 85% of up to \$25,000 for the purchase of an EHR and each subsequent year (up to 4) is paid at 85% of up to \$10,000.

To be eligible for the Medicaid incentive payout, physicians must have a 30 percent Medicaid patient case load or 20 percent for pediatricians.

According to a U.S. Department of Health and Human Services report, only 1.5 percent of hospitals nationwide use an EHR and the number is in line with Tennessee hospital implementation.

However, e-Prescribing or eRx (the ability to electronically order prescriptions) use in Tennessee has increased by 749 percent since 2006. During 2008, 1,950 Tennessee healthcare providers issued 1.5 million electronic prescriptions, representing 3 percent of all prescriptions written in the state.

“The sheer number of e-prescriptions speaks volumes to the potential for physicians and hospitals that have yet to implement an EHR,” said Jennifer McAnally, Health Information Technology Program Manager for QSource. “In this instance, time literally is money. The longer a hospital or physician chooses to wait to implement HIT, the less money they could receive. QSource has helped 300 physician offices implement an EHR and e-prescribing.”

Hospitals and physicians interested in learning more about the Medicare physician HIT stimulus program can contact McAnally at jmcanally@qsource.org or 800.528.2655 ext. 2635.



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