Frequently Asked Questions:
Medicaid Electronic Health Records Incentive Program

Federal and state governments, including Missouri, have been engaged in a series of activities to improve the availability of patient data in electronic format. One such activity is the creation of the Medicaid and Medicare electronic health record (EHR) incentive programs. These incentives will be in the form of annual payments based on program year, beginning in 2011, to help a broad range of health care professionals and hospitals implement and meaningfully use EHRs. The following FAQ describes incentive payment eligibility, program requirements, payments, Missouri resources, and other relevant details.

General Program Questions

- **When can I enroll for the Medicaid EHR Incentive Program?**

  MO HealthNet maintains a secure portal designed expressly to accept all required documentation to apply for Medicaid EHR incentive payments. A link to the Missouri State Level Registry is included under the Featured Links on this webpage.

  Program Year 2016 is the last year providers can start participating in the program.

- **Where can I get more information about the EHR Incentive Program?**

  The Centers for Medicare and Medicaid Services (CMS) has a broad range of information available on its website (e.g., federal eligibility requirements, meaningful use, payment process, etc.): https://www.cms.gov/EHRIncentivePrograms.

- **Where can I find information on what electronic health records (EHRs) have been certified?**

  Eligibility for Medicare and Medicaid EHR incentives is based, in part, on using certified EHR technology. The Office of the National Coordinator for Health Information Technology (ONC) has developed a process to certify EHR vendors and products. The list of certified products can be viewed here: http://onc-chpl.force.com/ehrcert.

- **What information is required to demonstrate use of a certified system?**

  The following components of a Contract must be included as an attachment: 1) signature page, 2) name of EHR product that has been Adopted, Implemented, or Upgraded and 3) effective dates. Contract documents can be redacted by the marking out proprietary and confidential information such as pricing arrangements, etc. For submissions that select the "Upgrade" methodology of attestation, the State also requests a vendor letter indicating the ONC certification number of the EHR.

Program Eligibility

- **Who is an “eligible professional” for the Medicaid EHR Incentive Program?**

  In the Medicaid program, eligible professionals (EPs) include physicians, dentists, certified nurse midwives, nurse practitioners, and physician assistants practicing in a Federally Qualified Health Center (FQHC) or a Rural Health Center (RHC) led by a physician assistant.

EPs must have at least a 30% patient volume attributable to Medicaid (20% for pediatricians). EPs have the option to use either their *individual* Medicaid patient encounters as a percentage of their total encounters or the *group proxy* method defined as the *practice's total* Medicaid encounters for all professionals as a percentage of the practice's total patient encounters.

- **Are there different volume criteria for Federally Qualified Health Centers (FQHC) or Rural Health Centers (RHC)?**

  Yes. EPs working in FQHCs or RHCs may meet the 30% volume requirement through a combination of Medicaid and "needy individual" encounters. Needy individual encounters are those encounters funded in part or in whole by MO HealthNet, MO HealthNet for Kids, uncompensated care or patient payment based on a sliding scale.

- **Does a physician with a private hospital-based practice qualify for incentive payments?**

  No. Hospital-based physicians do not qualify for the EHR incentive program. Hospital-based physicians are defined as those furnishing substantially all (90%) professional services in a hospital or emergency department setting. Eligible professionals who practice in hospital-owned outpatient clinics qualify for the incentive program provided they meet all other program criteria.

- **If an eligible professional uses a certified EHR in a meaningful way (meeting CMS requirements), could that professional receive both the *Medicare* EHR payment incentive as well as the *Medicaid* EHR payment incentive?**

  No. An eligible professional may only receive an EHR payment under either Medicare or Medicaid.

- **Is each eligible professional (EP) that meaningfully uses an EHR in a group practice eligible for incentive payments or just the group practice itself?**

  Yes. The incentive payment is made based on participation of an individual eligible professional.

- **Are *all* hospitals considered eligible to participate in the Medicaid EHR Incentive Program?**

  No. Eligible hospitals (EHs) include acute care hospitals with a Medicaid patient volume of at least 10%, all stand-alone children's hospitals, cancer hospitals and critical access hospitals.

- **Are long term care providers (e.g., nursing homes) eligible for EHR incentive payments?**

  No. Nursing homes are not eligible. Under Medicaid, the only eligible institutional providers are acute care hospitals, stand-alone children's hospitals, cancer hospitals, and critical access hospitals. Eligible Professionals may choose to assign incentive payments to their employer. Therefore, if an Eligible Professional employed by a nursing home met the criteria, s/he could choose to assign their payment to their employer.

- **How should eligible professionals (EPs) and eligible hospitals (EHs) apply for *Medicaid* or *Medicare* incentives?**

  The Centers for Medicare and Medicaid Services plays a central role in administering both incentive programs. Regardless of whether an EH or EP chooses Medicare or Medicaid

incentives, they will be required to register with the CMS Registration and Attestation System, also called the National Level Repository (NLR).

Once the registration information is entered, EPs will select either the Medicare or Medicaid incentives. If an EP chooses the Medicaid incentives, additional information must be given to MO HealthNet in Missouri's State Level Registry.

- **How can I ensure the data from CMS Registration and Attestation System (or NLR) matches the State Level Registry data with MO HealthNet?**

  Once you have registered with CMS check your NPI number under the "Status" tab in the CMS Registration and Attestation System to verify it is accurate and the same NPI you will use when registering with MO HealthNet. If the NPI is incorrect you will need to work with CMS's technical support at 888-734-6433 to change the NPI in CMS's database.

Incentive Payments

- **When will EHR incentive payments to eligible professionals and eligible hospitals begin?**

  Both Medicare and Missouri's Medicaid incentive programs began making payments in 2011. In Missouri, once eligible professionals (EPs) and eligible hospitals (EHs) have submitted all the appropriate information and it has been determined that they meet all eligibility and reporting requirements, through pre-payment validation, payments are dispersed electronically. The amount of time between completing an application and receiving payment varies depending upon how many applications are in the queue for pre-payment validation. Applications are reviewed in the order that they are received.

- **If an eligible professional uses a certified EHR in accordance with CMS and ONC requirements, could that professional receive both the Medicare *and* Medicaid EHR payment incentive?**

  No. Eligible *professionals* may only receive an EHR incentive payment under either Medicare or Medicaid in a given year. Prior to 2014 EPs had the option to switch between programs one time only. Eligible *hospitals* can receive incentives under both programs.

- **What is the maximum Medicaid EHR incentive an eligible professional can receive?**

  Medicaid eligible professionals (EPs) may receive up to $63,750 over six years (2011 through 2021). For the first payment year, Medicaid EPs can receive up to $21,250 for the initial adoption, implementation or upgrade of certified EHR technology. In subsequent years, Medicaid EPs can receive up to $8,500 annually for costs related to operation, maintenance and demonstration of meaningful use of EHR technology. Reduced payment amounts are set for pediatricians that attest with 20% volume.

- **What is maximum *Medicare* EHR incentive an eligible professional can receive?**

  Medicare Eligible professionals (EPs) can receive up to $44,000 over four years (2011 through 2015). The payment is equal to 75% of Medicare allowable charges for covered services furnished by the EP in a year (maximum payment in the first, second, third, fourth, and fifth years of $15,000; $12,000; $8,000; $4000; and $2,000, respectively). Early adopters (EPs whose first payment year is 2011 or 2012) can receive a maximum payment of $18,000 in the first year. For EPs who predominantly furnish services in a health professional shortage area (HPSA), Medicare incentive payments would be increased by 10%.

- **What if my EHR system costs much more than the incentive? May I request additional funds?**

  No. By law, EHR Incentive Program does not provide for incentive payments beyond the already-established limits, regardless of EHR system costs. The purpose of the payments is to encourage the adoption and meaningful use of certified EHR technology, rather than to reimburse fully for such activities.

- **Is the funding available upfront to help an eligible professional (EP) purchase an EHR system, or will EPs receive incentive payments only after implementation?**

  No up-front funding is provided. In *Medicare*, incentives are only available after EPs demonstrate meaningful use. This demonstration will require reporting on activities over a contiguous 90-day period. In *Medicaid*, providers can receive their first payment before demonstrating meaningful use, if they demonstrate steps to adopt, implement or upgrade their certified EHR technology.

- **What are the differences between the Medicare and Medicaid EHR Incentive Programs for Eligible Professionals?**

  There are several key differences. The first is that only providers with at least a 30% Medicaid patient volume (20% for pediatricians) qualify for the Medicaid incentives. Second, payments for the Medicaid program are up to a maximum of $63,750 while in Medicare, the maximum is $44,000. In Medicaid, incentive payment amounts are based on the average upfront purchase and ongoing maintenance costs. By contrast, Medicare payments are made as a percentage of Medicare charges rather than the actual purchase and maintenance costs. First year payments under Medicaid can be made based on adopting, implementing or upgrading systems, while first year payments under Medicare require using the system to demonstrate Meaningful Use requirements. Finally, the Medicaid incentives are authorized until 2021, with Program Year 2016 as the last year to begin participation, while the Medicare incentives are authorized until 2016.

- **Can my employer require me to assign my incentive to them?**

  Eligible Professionals (EPs) may voluntarily assign their incentive payment to their employer. This is likely to be most common in environments where the employer paid for most or all of the certified EHR technology. The Centers for Medicare and Medicaid Services (CMS) views the assignment process as primarily a contractual issue between employer and employee.

- **Are incentives subject to income taxes?**

  Yes. Incentives are subject to income like other gross receipts.

Meaningful Use

- **What is meaningful use?**

  The CMS Medicare and Medicaid EHR Incentive programs have evolved into three stages of meaningful use, each with its own goals, priorities, and final rule. Meaningful use means providers need to show they're using certified EHR technology in ways that can be measured significantly in quality and in quantity. The latest CMS rule has simplified the Meaningful Use Objectives and Measures, including clinical quality measures, that must be met in order to be deemed a meaningful user.

A list of Meaningful Use Measures effective beginning in Program Year 2015 can be found here: https://www.cms.gov/Regulations-and Guidance/Legislation/EHRIncentivePrograms/Downloads/2015_NeedtoKnowEP.pdf

A list of clinical quality measures can be viewed here: https://www.cms.gov/Regulations-and-Guidance/Legislation/EHRIncentivePrograms/ClinicalQualityMeasures.html

- **What are the reporting periods for demonstrating meaningful use?**

  For Program Year 2015, the CMS rule requires all eligible professionals (EPs) and eligible hospitals (EHs) to report on any continuous 90-day period within the program year which an EP or EH is attesting to meaningful use of certified EHR technology. For Program Year 2016, participants in Stage 2 of Meaningful Use will be required to report 12-months of Meaningful Use data; those in Stage 1 can use a 90-day reporting period.

Penalties

- **What are the penalties for not using a certified EHR system and/or demonstrating meaningful use?**

  For Medicare, physicians who are not "meaningful" EHR users will see a 1% reduction in payment starting January 1, 2015. The reduction increases to 2% in 2016 and 3% in subsequent years. Hardship exceptions may be issued on a case-by-case basis, such as exceptions for physicians who practice in rural areas without adequate Internet access. There are no Medicaid penalties.

- **Will a provider who doesn't enroll in either incentive program or doesn't meet meaningful use requirements see a reduction in their Medicare rate?**

  Yes. There is no requirement that providers participate in either the Medicare or Medicaid Incentive Program. Providers can opt out but will receive a reduction in Medicare payments if they do not meet meaningful use requirements by 2015. Providers who have previously participated in the Medicaid program, but do not currently meet the eligibility threshold, can provide meaningful use data directly to CMS at their registration and attestation site and avoid the Medicare penalty.

Missouri Resources

- **Besides the incentive payments, what resources are available to help implement an EHR?**

  The Missouri HIT Assistance Center is a federally-funded resource center charged with assisting providers with EHR implementation. In particular, the Center has targeted services to solo and small primary care providers, rural providers, community clinics and critical access hospitals. The Center has negotiated group purchasing arrangements with selected vendors. More information is available here: http://www.assistancecenter.missouri.edu/.

  The Centers for Medicare and Medicaid Services has a comprehensive resource center which can be accessed here: https://www.cms.gov/EHRIncentivePrograms/

Eligible Hospitals

- **Please clarify how ED visits are used in calculating eligibility?**

  The ED visits can be used in calculating Medicaid eligibility – both ED visits with inpatient admissions and non-inpatient admissions are requested and documented in different fields within the SLR system as described below.

  ## MO HealthNet Volumes section

  Both ED visits with inpatient admissions and outpatient ED visits should be included in the MO HealthNet Volumes section. The ED visits should be included only in the volumes for the 90-day representative period and must be included in both the Medicaid discharges and total discharges.

  ## Hospital Demographics section

  ED visits with inpatient admissions can be included in the total discharges, which is used to calculate the Medicaid patient volume threshold. *ED outpatient visits cannot be included in any of the data in this section.* The data used to calculate the hospital incentive payment amounts are based on inpatient data only, which eliminates outpatient visits from the total. New language to explain this will be added to the Help Text displayed when the "more" button is chosen.

  Here is wording from the final rule:

  2) For purposes of calculating hospital patient volume, both of the following definitions in paragraphs (e)(2)(i) and (e)(2)(ii) of this section may apply:

  - (i) A Medicaid encounter means services rendered to an individual per inpatient discharge where—(A) Medicaid (or a Medicaid demonstration project approved under section 1115 of the Act) paid for part or all of the service; or (B) Medicaid (or a Medicaid demonstration project approved under section 1115 of the Act) paid all or part of the individual's premiums, copayments, and/or cost-sharing.
  - (ii) A Medicaid encounter means services rendered in an emergency department on any one day where—(A) Medicaid (or a Medicaid demonstration project approved under section 1115 of the Act) paid for part or all of the service; or (B) Medicaid (or a Medicaid demonstration project approved under section 1115 of the Act) paid all or part of the individual's premiums, copayments, and cost-sharing.

- **Are nursery days and nursery discharges (for newborns) included as acute-inpatient services in the calculation of hospital incentives for the Medicare and Medicaid EHR Incentive Programs?**

  No, nursery days and discharges are not included in inpatient bed-day or discharge counts in calculating hospital incentives. Nursery days and discharges are not considered acute inpatient services based on the level of care provided during a normal nursery stay. The hospital worksheet has been updated (as of June 22) to indicate that these should be excluded.

  Pages 44450 and 44453 of the final rule preamble explain that for the Medicare calculation, the statutory language clearly restricts discharges and inpatient bed-days to those from the acute care portion of a hospital. This is because of the definition of "eligible hospital" in section 1886(n)(6)(B) of the Social Security Act.

Page 44497 of the final rule explains that statutory parameters placed on Medicaid incentive payments to hospitals are largely based on the methodology applied to Medicare incentive payments. Therefore, as Medicaid is held to the same parameters as Medicare, the same limitations on counting inpatient bed-days and total discharges apply to Medicaid hospital incentive calculations.

- **Are NICU days treated the same as nursery bed days, as an exclusion?**

  No, NICUs are not excluded – these discharges can be counted as inpatient bed-days in the hospital incentive calculation.

- **Can Medicaid secondary claims for dual eligibles be counted in the encounter volume?**

  Yes, dual eligibles can be counted in the encounter volume for the 10% test to qualify for Medicaid volume threshold, but not in the calculation of the amount of the Medicaid incentive to be paid.

- **What year should be used for providing hospital data?**

  Hospitals should use the federal fiscal year cost report data. For the historical trend, the base year is the cost report that ends in the Federal Fiscal Year prior to the date of the attestation.

- **Should cost reports be attached?**

  Yes, the SLR requests specific data from the eligible hospital cost report to populate the eligibility data fields. To document the cost report data, Worksheets S-3, S-10 and C must be attached for the appropriate years.

- **If there is an amended Cost Report, should that info be updated in the SLR?**

  Amended cost reports will be considered during submission of information in the subsequent year.

- **Are there limitations on the size of the attachments?**

  The file size limit is 10 megabytes per attachment; up to 10 attachments are allowed. There is not a page limit on the documents.

- **Can data or attachments be changed?**

  Yes, as long as the changes are made prior to finishing and submitting Step 5.

- **Who has access to the attestation information and attachments?**

  Authorized MO HealthNet staff and Xerox staff (the SLR vendor) assigned to support Missouri's program. Confidential and proprietary information can be redacted in attachments.

- **Who should sign the EH attestation agreement?**

  Any person who is authorized to sign a legally binding agreement on behalf of the hospital can sign the attestation.

- **Clarify how the aggregate payment amount over 3 yrs is calculated and when distributed, and where does it show what the EH payments will be?**

  The Users' Manual for Eligible Hospitals, posted on the provider outreach page of Missouri's SLR, details the calculation and indicates the payment schedule, which is over the 3 years: 50% in year 1 – 35% in year 2 – 15% in year 3.

- **Can hospitals skip years for Medicaid incentives program (as EPs) can? For example, perform AIU in year 1 now and wait a year for M/U?**

  Yes. Hospitals can skip years in the Medicaid program. The Medicaid incentives are authorized until 2021; Program Year 2016 is the last year to begin participation. The Medicare incentives are authorized until 2016.

Eligible Professionals

- **Panel Members vs. Encounters – do Eligible Professionals have to choose one methodology or can they include both counts?**

  The calculation utilizes both Panel Members and Encounters in Step 2 of the SLR solution. Professionals who see both FFS and managed care patients can enter their FFS encounters and their panel members. Professionals who only have panel members will enter the encounters for those panel members for the representative period in the Total Encounters and Total Medicaid encounters fields. Professionals who have FFS only will enter the FFS encounters in Total Encounters and Medicaid encounters. Professionals cannot double count Panel Members and Encounters.

- **Does the SLR have a process for groups and how does it work?**

  The Group functionality of the SLR allows a Group representative or designee to enter Medicaid patient volume data and EHR certification information for each professional associated with the group. The eligible professional's NPI/TIN will sync up with the Group TIN/NPI to automatically pre-populate the professional's attestation document with the Group's volume and EHR certification.

  While the representative or designee can enter data on behalf of the professional, they cannot sign or submit the attestation. Each individual professional must sign his or her attestation document.

- **Where is the Users' Manual or can we see solution screen shots?**

  The Users' Manual for Eligible Professionals, posted on the provider outreach page of Missouri's SLR, includes screen shots and Group Administrator information.