



Inteck

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MEDICAID INCENTIVES FOR MEANINGFUL USE OF EHR TECHNOLOGY BY ELIGIBLE PROVIDERS, INCLUDING CRITICAL ACCESS HOSPITALS

1. Providers and hospitals must choose to participate in either the Medicaid or the Medicare incentive program; cannot receive incentives from both.
2. Start date for the Medicaid program not specified in the act, presumed to be 2011.
3. Medicaid will not reduce payments to providers who elect not to implement EHR technology.
4. States are authorized to make payments totaling no more than 85% of net average allowable EHR costs (unclear how determined) including software and support services such as operations, maintenance, and training expenses.
5. Eligible Medicaid providers include the following:
 - Physicians, dentists, certified nurse midwives, nurse practitioners, and physician assistants that practice in rural health clinics or physician assistant-led federally qualified health centers and at least 30% of their patients are Medicaid-reimbursed, are provided uncompensated care, or are charged on a sliding scale according to ability to pay
 - Non-hospital-based providers with at least 30% of their patients Medicaid-reimbursed
 - Non-hospital-based pediatricians with at least 20% of their patients Medicaid-reimbursed
 - Children's hospitals (no other requirement)
 - Acute care hospitals with at least 10% Medicaid-reimbursed patients
6. *Meaningful use* must be defined by the states but must be consistent with the Medicare definition, and eligible providers must demonstrate same by the second and subsequent years of the incentives.
7. Incentive payments for eligible health care providers shall be as follows:
 - Not exceed \$25,000 in the first year and \$10,000 in each subsequent year (or less if Secretary of HHS determines average costs dictate a reduction)
 - Payments can be made for a maximum of five years, end after 2021, and may not exceed \$65,000
 - Eligible pediatricians receive only two-thirds of the payments described
8. Incentive payments for hospitals:
 - Facility must implement EHRs and be eligible for incentive payments by at least 2016
 - Payments are limited to six years
 - Medicaid incentive amounts are the product of the "overall hospital EHR amount" and the Medicaid share
 - i) the overall hospital EHR amount is the sum of the calculated Medicare amounts for the first four years, determined as if the Medicare share were 1

ii) the Medicaid share is determined by using the methodology described to determine the Medicare share and substituting the number of inpatient-bed-days for Medicaid-reimbursed individuals

Sources: American Recovery and Reinvestment Act of 2009; and HIMSS Legislative Overview, Policy Implications, and Healthcare Ramifications

