

**MEDICARE INCENTIVES FOR
 MEANINGFUL USE OF EHR TECHNOLOGY BY PHYSICIANS**

Medicare incentives are available for physicians who become meaningful users of electronic health records with higher incentive amounts for earliest initiation (2011) and payment reductions for non-use beginning in 2015.

1. *Meaningful use* requires that providers use EHR technology that meets a minimum set of standards:
 - Certified EHR technology; not specified yet but most likely CCHIT-certified
 - Capacity to provide patient demographics and clinical health information, medical history and problem lists; capacity for clinical decision support, and CPOE; ability to capture and query information relevant to healthcare quality; and to exchange health information with, and integrate such information from other sources
 - Prescribe electronically
 - Connect to a health information exchange
 - Submit clinical quality measures in the reporting format selected by Secretary of HHS
2. Incentive payments begin in 2011, if provider can demonstrate *meaningful use* of EHR.
3. Payment reductions begin in 2015 if provider has not initiated *meaningful use* of EHR.
4. Physicians who are hospital based and are expected to use the hospital's inpatient EHR system are not eligible for incentives. Examples of such physicians include emergency medicine physicians working in the ER, pathologists, and anesthesiologists.
5. Physicians who initiate *meaningful use* of EHRs in 2011 and 2012 will receive the largest amount of incentive payments. Payment penalties will begin in 2015 for physicians who have not initiated EHR use, as illustrated in the table below.

**Medicare Incentive Amounts for Physicians
 By Year of Initiation of Meaningful Use of EHR Technology**

Payment Years	2011 Initiation	2012 Initiation	2013 Initiation	2014 Initiation	2015 Initiation
2011	\$18,000	-0-	-0-	-0-	-0-
2012	\$12,000	\$18,000	-0-	-0-	-0-
2013	\$8,000	\$12,000	\$15,000	-0-	-0-
2014	\$4,000	\$8,000	\$12,000	\$12,000	-0-
2015	\$2,000	\$4,000	\$8,000	\$8,000	-0-
2016	-0-	\$2,000	\$4,000	\$4,000	-0-
2017	-0-	-0-	-0-	-0-	-0-
TOTAL	\$44,000	\$44,000	\$39,000	\$24,000	-0-

- 6. Bonus payments of 10 percent are added for physicians who practice in health professional shortage areas.
- 7. Secretary of HHS will determine how to allocate incentives if physician provides services in multiple practices.
- 8. Physicians cannot receive incentive payments from both Medicare and Medicaid; must choose.
- 9. Payment penalties begin in 2015 if a physician has not initiated *meaningful use* of an EHR as described in the table below.

Medicare Incentive Payment Reductions
if EHR Not Initiated

Year	Percent Reduction
2015	1 %
2016	2 %
2017	3 %

- 10. If EHR adoption proportion is not at a level of 75 % by 2018 and succeeding years, the Secretary of HHS may further increase penalties to a maximum of 5 % reductions.

