

# ECONOMIC STIMULUS INCENTIVE MONIES FOR EHR – WHAT MUST PHYSICIANS DO?

By Jeanine Freeman, JD

The American Recovery and Reinvestment Act (ARRA), the 2009 economic stimulus bill, offers Medicare reimbursement incentives of up to \$44,000 over years 2011-2016 to physicians who are or become “meaningful users” of “certified” electronic health record (EHR) systems. A 10% incentive increase is available for physicians in rural health shortage areas. Come 2015, physicians who are not yet meaningful users of a certified system face a 1% reduction in their Medicare fees which goes to 2% in 2016, 3% in 2017, and onward with exceptions in cases of significant hardship.

A final rule for Medicare incentives is due in late 2009. The ARRA also authorizes incentives by state Medicaid programs which await implementation directions from CMS. Many details are yet to come.

**Eligibility.** Eligible physicians will be able to apply for EHR incentive dollars under either Medicare or Medicaid but not both. Hospital-based physicians (i.e., furnish substantially all professional services in a hospital setting) are not eligible for EHR incentives. Physicians receiving ARRA incentive payments for meaningful use of a certified EHR system cannot also collect Medicare’s 2% electronic prescribing bonus.

**Meaningful use.** To receive incentives, physicians must be making “meaningful use” of their EHRs. CMS is required to define “meaningful use” by the end of the year. Quality measures affecting chronic conditions are likely starting points. IMS joined in support of AMA’s comments on measures for achieving meaningful use.

**Certification.** Likely, an EHR system certified by the Certification Commission for Healthcare Information Technology ([www.cchit.org](http://www.cchit.org)) will

meet this requirement. Minimally, a system must have e-prescribing functionality and be able to provide clinical decision support, support physician order entry, capture and query information on quality, and exchange data.

**Interoperability standards.** ARRA requires HHS to develop uniform electronic standards by December 31, 2009. The Office of the National Coordinator for Health Information Technology (ONC) is working on standards and specifications.

**Qualified EHR system for a nominal fee.** The ONC may make a qualifying EHR system available for a nominal fee if it finds the marketplace does not have affordable options.

**Regional Extension Centers (RECs).** ARRA monies include support for RECs to assist small primary care practices and hospitals in becoming meaningful users and to promote best practices in EHR use. Criteria to become a REC are under review with initial awards likely in early 2010.

**Federal Demonstration Project.** CMS has implemented a five-year demonstration project focused on small-to-medium-sized primary care physician practices and their use of EHR to reduce medical errors, produce better outcomes, and enhance patient satisfaction. Eight Northwest Iowa counties are included in Phase I of the project.

**What’s happening in Iowa?** The Iowa Department of Public Health (IDPH) administers the “Iowa e-Health Project,” and expects to release the Iowa Health Information Technology Plan in July. Uniform format for collecting medical data and an infrastructure to support real time exchanges are among the project’s goals.

**Web sites of interest:**

[www.ama-assn.org/go/hit](http://www.ama-assn.org/go/hit)

[www.cms.hhs.gov/Recovery/11\\_HealthIT.asp](http://www.cms.hhs.gov/Recovery/11_HealthIT.asp)

[www.idph.state.ia.us/hcr\\_committees/electronic\\_health-info.asp](http://www.idph.state.ia.us/hcr_committees/electronic_health-info.asp)



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