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Medicare Incentives for Doctors to Adopt, Implement or Upgrade Electronic Health Records

Under the Health Information Technology for Economic and Clinical Health Act (HITECH), federal incentive payments are available to doctors when they adopt electronic health records and demonstrate use in ways that can improve quality, safety and effectiveness of care. Doctors can receive as much as \$44,000 over a five-year period through Medicare. There is no minimum amount of Medicare that the doctor must provide to be eligible for the federal incentive money and the amount of incentive is not dependent upon the cost expended in adopting, implementing or upgrading the electronic health records. Incentives can even be paid for upgrades that occurred prior to the adoption of the HITECH stimulus so long as the electronic health records are maintained with a properly certified compatible technology. However time is quickly running out to receive the maximum amount of incentive payments. February 29, 2012, is the last day for eligible professionals to register and attest to 2011 electronic health records.

WHO IS A MEDICARE ELIGIBLE PROFESSIONAL?

A Medicare eligible professional is a doctor of medicine or osteopathy, a doctor of dental surgery or dental medicine, a doctor of podiatric medicine, a doctor of optometry, or a chiropractor, who is legally authorized to practice under state law. Hospital-based doctors who furnish substantially all their services in a "hospital setting" (90% or more) are not eligible for incentive payments.

WHAT ARE THE PAYMENT TERMS?

In general, a qualifying eligible professional can receive an initial incentive payment as high as \$18,000 if their first payment year is 2011 or 2012. Otherwise, the initial incentive payments go down on a sliding scale for every year that goes by before the eligible professional joins the program. The maximum amount of total incentive payments that an eligible provider can receive under the Medicare program is \$44,000, unless the eligible professional predominantly furnishes services in a geographic health professional shortage area, in which case they are eligible for a 10 percent increase, totaling \$48,400.

WHAT IS MEANINGFUL USE?

The eligible provider must demonstrate meaningful use to continue receiving incentives and those who do not successfully demonstrate meaningful use will be subject to payment adjustments beginning in 2015. Currently, the process for proving meaningful use is merely an attestation form. There are 25 criteria for meaningful use, 15 of the 25 are required criteria and 10 are elective criteria. Eligible providers must satisfy all 15 core criteria (unless they are inapplicable to the particular medical specialty, in which case they will be considered met) and 5 of the other ten criteria (again any inapplicable criteria count as being met). In the future, additional more qualitative criteria will be developed to determine meaningful use.