

Setting the Record Straight Dispelling the Myths Surrounding the \$44,000 Federal Stimulus for Electronic Health Records

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The American Recovery and Reinvestment Act (ARRA) of 2009 has drawn the attention of many within the healthcare field, including doctors of chiropractic. This attention is due in large part to a portion of the bill known as the HITECH Act, which deals specifically with health information technology and the \$44,000.00 incentives for each chiropractic physician. The HITECH Act was developed, in part, to incentivize the adoption of health information technology within healthcare practices. Unfortunately, there has been substantial misinformation and rumors surrounding the legislation and its relationship to doctors of chiropractic. This article will provide you with the information you need to know about the Act and what it could mean to your practice.

The Facts about HITECH and DCs

FACT: The government is using the definition of “physician” from the Social Security code, which includes doctors of chiropractic. Thus, doctors of chiropractic would be eligible to receive reimbursement for implementing EHR (Electronic Health Records) — as long as they also meet other established guidelines.

FACT: Only qualified EHRs used meaningfully will be considered eligible for incentive payments. To be a qualified EHR, the system must have the capacity to handle patient demographics and clinical health information, and have clinic management capabilities, as outlined by the entity that certifies qualified EHRs.

Only certified EHRs will be considered for the financial incentives, and while the certification entity has not yet been named, most predict one of the certifying entities will be the Certification Commission for Healthcare Information Technology (CCHIT) since it is currently the only recognized EHR certification entity in the federal system.

A list of 27 modules of meaningful use functions that require certain capabilities for the EHR have been released by the HIT Policy Committee of the federal government ONCHIT office. The majority of these functions are required for the software manufacturer to build into the EHR system in order to have the software ARRA certified.

Digital note taking systems and other automated documentation programs that don't meet these criteria will not be considered for incentive payments.

FACT: Any doctor who has transitioned to an EHR system that meets the government requirements for incentive payments is eligible, as long as the qualified system is implemented and “meaningful use” is demonstrated in 2010. Incentive payments begin to decrease on a sliding scale if implementation occurs after 2011.

FACT: Penalties will be assessed on doctors who opt not to transition to EHRs beginning in 2015 and will continue through 2019. Those penalties are expected to come through reductions in Medicare reimbursement payments.

FACT: The incentive payment amounts have been set by the federal government and have maximum amounts allowed in a given year.

The incentive payments will be paid by the Centers for Medicare and Medicaid Services (CMS) to the provider over a period of less than 5 years with the provider required to demonstrate meaningful use and quality measure reporting in the prior year before payment is issued. The schedule for maximum payments are as follows:

Individual Physician Medicare Bonus Incentives (in thousands)								
EHR Implementation		Payout Year						
Start Date	2010	2011	2012	2013	2014	2015	2016	Total
2010		18	12	8	4	2	0	44
2011			18	12	8	4	2	44
2012				15	12	8	4	39
2013					12	8	4	24
2014						0	0	0
Medicare Penalties: % of allowed charges: 2015 (-1%), 2016 (-2%), 2017 (-3%)+								

The incentive schedule does not correlate with the amount spent on EHR. The government wants to motivate providers to implement an EHR as soon as possible, and has created a strong financial incentive plan in an attempt to move the process forward swiftly. The sooner a provider implements an EHR, the more incentive payments the provider could be eligible to receive.

The federal government also recognizes there are hardware and training costs, and possible lost revenue during the initial conversion and phase-in of the system when extra staff time is needed to support the transition. Thus, the government has accounted for those costs in the incentive payment schedule.

FACT: The incentive payment program has been set up to benefit physicians specifically. This means several physicians who practice in the same clinic can each qualify for incentive payments, as long as all the individual doctors are using a qualified system meaningfully, according to the incentive payment requirements.

The actual amount a provider could receive in incentive bonuses is 75% of the Medicare reimbursements paid to the provider for allowed services in the prior year for that specific provider. For example, if a provider received \$10,000 dollars from Medicare for allowed services in 2010, then that provider could receive \$7,500 dollars in 2011, **IF** they were meaningfully using a certified/qualified EHR in 2010. The same holds true for subsequent years. In order to receive the full \$18K in 2011, the provider would have to have received \$24K in Medicare reimbursements in 2010. In order to receive \$12K in 2012, the provider would have had to be reimbursed \$16K in 2011.

FACT: The government will not be able to dictate how providers deliver care now that they are providing incentives to adopt EHR. Nowhere in any of the legislation does it indicate that the government will impose on the methods to deliver patient care. Rather, an office within the Department of Health and Human Services (HHS) called the Office of the National Coordinator of Healthcare Information Technology (ONCHIT) was established in 2004 to facilitate the implementation of EHRs across healthcare entities. The office is only given authority to organize the implementation process and is not charged with overseeing actual delivery of care and how doctors treat patients.

ONCHIT is mainly concerned with how information is captured, how it gets reported, and ensuring the doctor is collecting the appropriate information for proper case management.

The Center for Medicare Services (CMS) and HHS will also be involved with the program, but CMS' specific role is still being evaluated with regard to reporting and eligibility requirements for doctors participating in the incentive program.

What's Next?

ONCHIT is working to establish the rules and standards that will govern the incentive payments for EHR implementation that have been funded by the HITECH portion of the ARRA of 2009.

The final draft of rules about a qualified EHR, meaningful use, and other applicable requirements will be released by the end of December 2009, with final publication to occur near the end of the 1st quarter in 2010. In the meantime, you may want to start planning your implementation now.

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