



Medicare & Medicaid EHR Incentive Programs

Payment Adjustments and Hardship Exceptions
National Provider Call
August 15, 2013

Medicare Learning Network®

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Do I care?

Medicare-only Eligible Professionals

Medicaid-only Eligible Professionals

**Doctors of Optometry
Doctors of Podiatric Medicine
Chiropractor**

**Doctors of Medicine
Doctors of Osteopathy
Doctors of Dental Medicine
or Surgery**

**Nurse practitioners
Certified nurse midwives
Physician assistants (PAs)
when working at an FQHC
or RHC that is so led by a
PA**

**Could be eligible for both
Medicare & Medicaid
incentives**

Do I care?

Hospitals only eligible for Medicare incentive

Hospitals only eligible for Medicaid incentive

Subsection(d) hospitals in 50 U.S. states and the District of Columbia*
Critical Access Hospitals (CAHs)*

**without 10% Medicaid*

Most subsection(d) hospitals/
acute care hospitals
Most CAHs

Children's hospitals
Acute care hospitals in the territories
Cancer hospitals

Could be eligible for both Medicare & Medicaid
(most hospitals)

Hospital Based

Any EP determined to be hospital based in either of the 2 years prior to the payment adjustment year

2015 Payment Adjustment Year

- Hospital based for 2013
- OR
- Hospital based for 2014

Payment Adjustments

- The HITECH Act stipulates that for Medicare EPs, subsection (d) hospitals and CAHs a payment adjustment applies if they are not a meaningful EHR user.
- An EP, subsection (d) hospital or CAH becomes a meaningful EHR user when they successfully attest to meaningful use under either the Medicare or Medicaid EHR Incentive Program

Adopt, implement and upgrade ≠ meaningful use

A provider receiving a Medicaid incentive for AIU would still be subject to the Medicare payment adjustment.

Avoiding 2015 Payment Adjustments

Demonstrate meaningful use to CMS or the State by:

Meaningful EHR User in 2011 or 2012	Never been a Meaningful EHR User
End EHR reporting period by Dec 31, 2013	End EHR reporting period by Sep 30, 2014
Attest by Feb 28, 2014	Attest by Oct 1, 2014

Hospitals Subtract 3 Months

Apply to CMS for a hardship exception by:
July 1, 2014

EP Payment Adjustments

% Adjustment shown below assumes less than 75% of EPs are meaningful users for CY 2018 and subsequent years

	2015	2016	2017	2018	2019	2020+
EP is not subject to the payment adjustment for e-Rx in 2014	99%	98%	97%	96%	95%	95%
EP is subject to the payment adjustment for e-Rx in 2014	98%	98%	97%	96%	95%	95%

% Adjustment shown below assumes more than 75% of EPs are meaningful users for CY 2018 and subsequent years

	2015	2016	2017	2018	2019	2020+
EP is not subject to the payment adjustment for e-Rx in 2014	99%	98%	97%	97%	97%	97%
EP is subject to the payment adjustment for e-Rx in 2014	98%	98%	97%	97%	97%	97%

EP EHR Reporting Period

Payment adjustments are based on prior years' reporting periods. The length of the reporting period depends upon the first year of participation.

For an EP who has demonstrated meaningful use in 2011 or 2012:

Payment Adjustment Year	2015	2016	2017	2018	2019	2020
Based on Full Year EHR Reporting Period	2013	2014	2015	2016	2017	2018

To Avoid Payment Adjustments:

EPs must continue to demonstrate meaningful use every year to avoid payment adjustments in subsequent years.

EP EHR Reporting Period

For an EP who demonstrates meaningful use in 2013 for the first time:

Payment Adjustment Year	2015	2016	2017	2018	2019	2020
Based on 90 day EHR Reporting Period	2013					
Based on Full Year EHR Reporting Period		2014	2015	2016	2017	2018

To Avoid Payment Adjustments:

EPs must continue to demonstrate meaningful use every year to avoid payment adjustments in subsequent years.

EP EHR Reporting Period

EP who demonstrates meaningful use in 2014 for the first time:

Payment Adjustment Year	2015	2016	2017	2018	2019	2020
Based on 90 day EHR Reporting Period	2014*	2014				
Based on Full Year EHR Reporting Period			2015	2016	2017	2018

**In order to avoid the 2015 payment adjustment the EP must attest no later than October 1, 2014, which means they must begin their 90 day EHR reporting period no later than July 1, 2014.*

Subsection (d) Hospital Payment Adjustments

% Decrease in the Percentage Increase to the IPPS* Payment Rate that the hospital would otherwise receive for that year:

	2015	2016	2017	2018	2019	2020+
% Decrease	25%	50%	75%	75%	75%	75%

Example:

If the increase to IPPS for 2015 was 2%, than a hospital subject to the payment adjustment would only receive a 1.5% increase

2% increase X 25% = .5% payment adjustment **OR** 1.5% increase total

**Inpatient Prospective Payment System (IPPS)*

Subsection (d) Hospital EHR Reporting Period

Payment adjustments are based on prior years' reporting periods. The length of the reporting period depends upon the first year of participation.

For a hospital that has demonstrated meaningful use in 2011 or 2012 (fiscal years):

Payment Adjustment Year	2015	2016	2017	2018	2019	2020
Based on Full Year EHR Reporting Period	2013	2014	2015	2016	2017	2018

For a hospital that demonstrates meaningful use in 2013 for the first time:

Payment Adjustment Year	2015	2016	2017	2018	2019	2020
Based on 90 day EHR Reporting Period	2013					
Based on Full Year EHR Reporting Period		2014	2015	2016	2017	2018

To Avoid Payment Adjustments:

Eligible hospitals must continue to demonstrate meaningful use every year to avoid payment adjustments in subsequent years.

Subsection (d) Hospital EHR Reporting Period

For a hospital that demonstrates meaningful use in 2014 for the first time:

Payment Adjustment Year	2015	2016	2017	2018	2019	2020
Based on 90 day EHR Reporting Period	2014*	2014				
Based on Full Year EHR Reporting Period			2015	2016	2017	2018

**In order to avoid the 2015 payment adjustment the hospital must attest no later than July 1, 2014 which means they must begin their 90 day EHR reporting period no later than April 1, 2014*

Critical Access Hospital (CAH) Payment Adjustments

Applicable % of reasonable costs reimbursement which absent payment adjustments is 101%:

	2015	2016	2017	2018	2019	2020+
% of reasonable costs	100.66%	100.33%	100%	100%	100%	100%

Example:

If a CAH has not demonstrated meaningful use for an applicable reporting period, then for a cost reporting period that begins in FY 2015, its reimbursement would be reduced from 101 percent of its reasonable costs to 100.66 percent.

CAH EHR Reporting Period

Payment adjustments for CAHs are also based on prior years' reporting periods. The length of the reporting period depends upon the first year of participation.

For a CAH who has demonstrated meaningful use **prior to 2015** (fiscal years):

Payment Adjustment Year	2015	2016	2017	2018	2019	2020
Based on Full Year EHR Reporting Period	2015	2016	2017	2018	2019	2020

For a CAH who demonstrates meaningful use in **2015** for the first time:

Payment Adjustment Year	2015	2016	2017	2018	2019	2020
Based on 90 day EHR Reporting Period	2015					
Based on Full Year EHR Reporting Period		2016	2017	2018	2019	2020

To Avoid Payment Adjustments:

CAHs **must** continue to demonstrate meaningful use every year to avoid payment adjustments in subsequent years.

EP Hardship Exceptions

EPs can apply for hardship exceptions in the following categories:

1. Infrastructure

EPs must demonstrate that they are in an area without sufficient internet access or face insurmountable barriers to obtaining infrastructure (e.g., lack of broadband).

2. New EPs

Newly practicing EPs who would not have had time to become meaningful users can apply for a 2-year limited exception to payment adjustments.

3. Unforeseen Circumstances

Examples may include a natural disaster or other unforeseeable barrier.

4. EPs must demonstrate that they meet the following criteria:

- Lack of face-to-face or telemedicine interaction with patients
- Lack of follow-up need with patients

5. EPs who practice at multiple locations must demonstrate:

- Lack of control over availability of CEHRT for more than 50% of patient encounters

Eligible Hospital and CAH Hardship Exceptions

Eligible hospitals and CAHs can apply for hardship exceptions in the following categories

1. Infrastructure

Eligible hospitals and CAHs must demonstrate that they are in an area without sufficient internet access or face insurmountable barriers to obtaining infrastructure (e.g., lack of broadband).

2. New Eligible Hospitals or CAHs

New eligible hospitals and CAHs with new CMS Certification Numbers (CCNs) that would not have had time to become meaningful users can apply for a limited exception to payment adjustments.

- For CAHs the hardship exception is

limited to one full year after the CAH accepts its first patient.

- For eligible hospitals the hardship exception is limited to one full-year cost reporting period.

3. Unforeseen Circumstances

Examples may include a natural disaster or other unforeseeable barrier.

Internet Infrastructure



Internet Explorer cannot display the webpage

What you can try:

[Diagnose Connection Problems](#)

[More information](#)

1. No wired Internet is available
2. Internet is available, but:
 - Cost prohibitive due to need to create infrastructure
 - Insufficient speed for meaningful use
3. Timing: Any 90 day period in the 18 months prior to the application deadline of July 1 the year before the payment adjustment year (July 1, 2014 for 2015)
4. Proof: Quotes or correspondence from at least two different internet service providers
5. For insufficient speed the above for upgrades combined with support from Certified EHR Technology developer

New EPs

~~Application~~

Will be determined using Medicare claims and enrollment data.

2 years after an EP starts practicing

New Hospitals

~~Application~~

Will be determined using Medicare enrollment data.

1 full cost reporting period after a hospital admits their first Medicare patient

Unforeseen Circumstances

Examples:

- Closure
- Bankruptcy
- Other debt restructuring
- Natural disasters
- EHR loses certification

The Unknown:

When considering other circumstances the application must outline why meaningful use is unachievable, not outlining the circumstances with the expectation that CMS will determine the effects on meaningful use.

EP Scope of Practice

Both

- Lack of face-to-face or telemedicine interaction with patients; **and**
- Lack of follow-up need with patients

Proof

- Attestation

Potential Disqualifiers

- Billing E&M codes
- Care plans with follow up with the EP

EP Scope of Practice

Anesthesiology, Pathology and Radiology



The EP's Medicare enrollment must list one of the following Medicare Specialty Codes as of July 1 as one of his or her primary specialties:

Diagnostic Radiology (30), Nuclear Medicine (36),
Interventional Radiology (94),
Anesthesiology (05), or Pathology (22)

Lack of Control over CEHRT

Both

- Less than 50% of outpatient encounters at locations equipped with CEHRT; **and**
- Have little or no control over whether those locations are equipped with CEHRT

Proof

- Attestation for the 50%
- Agreements with the locations not equipped

Applying for Hardship Exceptions

- ❑ **Applying:** EPs, eligible hospitals, and CAHs must apply for hardship exceptions to avoid the payment adjustments.
- ❑ **Granting Exceptions:** Hardship exceptions will be granted only if CMS determines that providers have demonstrated that those circumstances pose a significant barrier to their achieving meaningful use.
- ❑ **Deadlines:** Applications need to be submitted **no later than April 1 for hospitals**, and **July 1 for EPs** of the year before the payment adjustment year; however, CMS encourages earlier submission

For More Info: Details on how to apply for a hardship exception will be posted on the CMS EHR Incentive Programs website in the future:

www.cms.gov/EHRIncentivePrograms

Coming in Late Summer 2013 – The Medicare Administrative Contractor Satisfaction Indicator (MSI)

Attention: Medicare-Enrolled Providers and Suppliers

Give CMS feedback about your experience with your Medicare Administrative Contractor (MAC), the contractor that processes your Medicare claims

Your feedback will help CMS monitor performance trends, improve oversight, and increase efficiency of the Medicare program

Only providers and suppliers who register for the MSI will be included in the random sample to rate their MAC

For more information and to register today for the 2013 MSI, go to <http://www.cms.gov/Medicare/Medicare-Contracting/MSI/>

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Please help us continue to improve the MLN Connects National Provider Call Program by providing your feedback about today's call.

To complete the evaluation, visit <http://npc.blhtech.com/> and select the title for today's call.

Evaluations are anonymous, confidential, and voluntary.

All registrants will receive a reminder email about the evaluation for this call. Please disregard the email if you have already completed the evaluation.

We appreciate your feedback.



Thank You

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For more information about the Medicare Learning Network (MLN), please visit <http://cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNGenInfo/index.html>



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