As part of the American Recovery and Reinvestment Act, the Centers for Medicare & Medicaid Services (CMS) is authorized to provide a reimbursement incentive to encourage the adoption of electronic health records across the nation, particularly among small primary care practices and physicians. The federal EHR incentives are available for eligible Medicare and Medicaid providers (physician and hospital providers) who are successful in implementing electronic health records and achieving “meaningful use,” as defined by the U.S. DHHS. These incentive payments begin in 2011 and gradually will phase down. This is a limited-time opportunity for eligible health care providers to help with the costs of implementing and using electronic health record systems.

Under this program, the maximum amount of a federal EHR incentive payment could be $63,750 per Medicaid provider. Again, these funds are available to eligible providers who acquire a certified EHR and demonstrate they are using the technology to improve the health of patients through meaningful use of the EHR and its data. The federal Medicaid incentive program is being administered by each state’s respective Medicaid agency, and in West Virginia that agency is the Bureau for Medical Services/W.Va. DHHR.

More information about the federal EHR incentive program can be found at [http://www.cms.gov/EHRIncentivePrograms](http://www.cms.gov/EHRIncentivePrograms).

**Q: Which providers are eligible for the Medicaid EHR incentive payments?**

Under Medicaid, Eligible Professionals (EPs) are physicians (primarily doctors of medicine and doctors of osteopathy), dentists, nurse practitioners, certified nurse midwives, and physician assistants practicing in a Federally Qualified Health Center (FQHC) or Rural Health Clinic (RHC) that are so led by a physician assistant.

**Q: What will be needed to qualify for the federal Medicaid EHR incentive payments?**

In order to qualify to receive the incentives, health care providers will need to meet certain eligibility criteria and demonstrate that they are using certified EHR systems in a meaningful manner. However, in the first year, Eligible Professionals may receive the Medicaid incentive payment if they have adopted, implemented or upgraded (AIU) to certified EHR technology. A provider also will need to meet certain requirements for Medicaid patient volumes/encounters.

**Q: What are the Medicaid patient threshold requirements in the first year and how are they determined?**

Eligible EPs must attest that 30% of their patient encounter volumes are Medicaid. Pediatricians can qualify for incentive payments with Medicaid patient volume between 20% - 30%; however, their incentive payment is reduced to 2/3rds of the total incentive amount available. EPs practicing predominately in a FQHC or RHC are allowed to include encounters for “needy individuals” toward meeting their Medicaid patient volume. An EP is considered to practice predominately at an FQHC or RHC when more than 50% of the EP’s total patient encounters over a period of six (6) months occurs at the FQHC or RHC. “Needy individuals” include those patients whose services are paid for by Medicaid or Children’s Health Insurance Program (CHIP), provided at no cost or at a reduced cost based on a sliding scale determined by the individual’s ability to pay.

For eligible providers, during the first year of incentive program participation, Medicaid volumes are based on encounters over a 90-day period during the preceding calendar year and a full twelve months during subsequent years. The 90-day period is selected by the provider and may be any 90 days during the preceding calendar year. An encounter is defined as an unduplicated direct personal contact (or series
of contacts occurring within the same day) between a member and a provider for reimbursable services for which Medicaid (or a Medicaid demonstration project approved under section 1115 of the Social Security Act) paid for all or part of the services. Providers will be asked to submit both their Medicaid needy individual (for FQHCs and RHCs) encounter volume as well as their total encounter volume during the incentive application process. Medicaid volumes will be validated against information in the Medicaid claims/payment system.

Q: If I am with an FQHC, what qualifies for the 30 percent patient requirement under Medicaid?

For FQHC’s and Rural Health Clinics, the 30% threshold includes “needy individuals” as well as Medicaid beneficiaries. During the first year of incentive program participation, the volumes are based on encounters over a 90-day period during the preceding calendar year; the full twelve months of the preceding calendar year are used during subsequent incentive years. An encounter is defined as an unduplicated direct personal contact (or series of contacts occurring within the same day) between a member and a provider and will include encounters for reimbursable services for which Medicaid paid for all or part of the services, as well as encounters for persons with WVC/CHIP, uncompensated care, or a sliding fee scale as a payment source.

Q: What are the parameters in order to qualify for first-year payment under AIU?

For AIU (adopt, implement or upgrade), a provider does not have to have installed certified EHR technology. The definition of AIU in 42 CFR 495.302 allows the provider to demonstrate AIU through any of the following: (a) acquiring, purchasing or securing access to certified EHR technology; (b) installing or commencing utilization of certified EHR technology capable of meeting meaningful use requirements; or (c) expanding the available functionality of certified EHR technology capable of meeting meaningful use requirements at the practice site, including staffing, maintenance, and training, or upgrade from existing EHR technology to certified EHR technology per the ONC EHR certification criteria. For the West Virginia Medicaid EHR Provider Incentive Payment program, the provider must demonstrate AIU for year 1 by selecting within the West Virginia Medicaid EHR Provider Incentive Program web portal whether they have adopted, implemented, or upgraded EHR. However, providers will be responsible for maintaining documentation that supports their attestation of AIU. Additional information is found in the West Virginia Medicaid Provider Manual Common Chapter 800, Section 800.19.Maintaining Records.

Q: What is the registration and attestation process for the Medicaid EHR incentive payment? When can I start the registration process for the Medicaid EHR incentive payment?

A provider is considered an FQHC provider if more than 50% of their encounters occur for Medicaid patients and who may have their own private practice? A provider is considered an FQHC provider if more than 50% of their encounters over a period of 6 months during the most recently completed calendar year are in an FQHC or RHC. The Medicaid registration system will allow for assignment of payment by a provider to any entity set up as a “pay to” entity in the provider’s profile.
MEANINGFUL USE

Q: What is “meaningful use?”
This is the term being used by the Office of the National Coordinator (ONC) and the Centers for Medicare and Medicaid (CMS) to describe the federal criteria eligible providers will need to meet in order to qualify to receive the total financial incentives available for using electronic health records (EHRs) in a meaningful manner.

Health care entities with EHRs do not realize full benefits merely by transferring information from paper form into digital form. EHRs can only deliver their benefits when the information and the EHR are standardized and “structured” in uniform ways. Therefore, the “meaningful use” approach requires identification of standards for EHR systems. Similarly, EHRs cannot achieve their full potential if providers don’t use the functions that deliver the most benefit – for example, exchanging information, and entering orders through the computer so that the “decision support” functions and other automated processes are activated. Therefore, the “meaningful use” approach requires that providers meet specified objectives in the use of EHRs, in order to qualify for the incentive payments.

Q: What types of activities are included in the detailed requirements for meaningful use?
The meaningful use criteria will involve three stages that are being rolled out over time. (Only the Stage 1 criteria have been finalized at this point.)

Stage 1 Criteria for Meaningful Use: The Stage 1 criteria for meaningful use focus on electronically capturing health information in a coded format, using that information to track key clinical conditions, communicating that information for care coordination purposes, and initiating the reporting of clinical quality measures and public health information.

Stages 2 and 3 Criteria for Meaningful Use: Stage 2 criteria is expected to expand upon Stage 1 in the areas of disease management, clinical decision support, medication management support for patient access to their health information, transitions in care, quality measurement and research, and bi-directional communication with public health agencies. Stage 3 will focus on achieving improvements in quality, safety and efficiency, focusing on decision support for national high priority conditions, patient access to self-management tools, access to comprehensive patient data, and improving population health outcomes.

Click on this list for a Meaningful Use overview: http://www.cms.gov/EHRIncentivePrograms/30_Meaningful_Use.asp#TopOfPage

More Information
Additional useful information use may be found at the following sites:

WV Medicaid EHR Incentive Program website - http://www.dhhr.wv.gov/bms/ehr

CMS EHR Incentive website - http://www.cms.gov/EHRIncentivePrograms/

ONC Health Information Technology EHR product certification website - http://onc-chpl.force.com/ehrcert

WV Regional HIT Extension Center (WVRHITEC) website - http://www.wvrhitec.org

WV Health Information Network (WVHIN) - http://www.wvhin.org

W.Va. Medicaid EHR PIP
1600 Pennyslvania Avenue
Charleston WV 25302
http://www.dhhr.wv.gov/bms/ehr