

Hospitals

Medi-Cal Electronic Health Record Incentive Program Frequently Asked Questions

The Medi-Cal Electronic Health Record (EHR) Incentive Program will provide incentive payments to eligible Medi-Cal providers and hospitals to adopt, implement, and upgrade the use of certified EHR technology. In 2012 the program will also begin to provide incentive payments for the “meaningful use” of certified EHR technologies. The frequently asked questions below provide basic information about the program divided into five sections:

- Eligibility Requirements
- Incentive Payments
- Adopt, Implement and Upgrade
- Meaningful Use
- Program Registration and Enrollment

Eligibility Requirements

What types of hospitals are eligible for incentive payments?

Acute care hospitals may apply for incentive payments if they have a Claim Control Number (CCN) that has the last four digits in the series 0001-0879 or 1300-1399. Eligibility requires an average length of stay of 25 days or less. An acute care hospital must also have 10% or more of its discharges attributable to Medi-Cal patients in the preceding fiscal year. All Children’s Hospitals with a CCN in the range of 3300 to 3399 are eligible for the program.

What information will hospitals need to enter into the SLR for eligibility?

Hospitals should consult the EH Workbook at <http://medi-cal.ehr.ca.gov/> for detailed information on this. Hospitals are required to upload relevant pages of cost reports, or other documents, to the SLR in order to document the information that they enter into the SLR.

Is a hospital eligible for the Medi-Cal EHR Incentive Program if they are also participating in the Medicare EHR Incentive Program?

Hospitals can participate in both programs simultaneously. The Medicare EHR incentive program is administered directly by the Centers for Medicare & Medicaid Services (CMS) and has different eligibility requirements and payment schedules. The main difference is that the Medicare program does not provide incentive funds for adopting, implementing, or upgrading an EHR in the first year.

Hospitals must provide eligibility information from an auditable data source such as a Cost Report. What does it mean that the hospital must use data from “The Hospital Fiscal Year that ends during the Federal Fiscal Year Prior to the Federal Fiscal Year that serves as the Payment Year” mean?

The chart below helps illustrate which cost report or other auditable data source a hospital should use for which fiscal year:

If Your Hospital Fiscal Year Starts In	And you are applying for your AIU payment for the 2011 Payment Year (FFY* October 1, 2010—September 30, 2011) Use the Cost Report** Below	And you are applying for your payment for the 2012 Payment Year (FFY* October 1, 2011—September 30, 2012) Use the Cost Report** Below
January	January 1, 2009 – December 31, 2009	January 1, 2010 – December 31, 2010
February	February 1, 2009 – January 31, 2010	February 1, 2010 – January 31, 2011
March	March 1, 2009 – February 28, 2010	March 1, 2010 – February 28, 2011
April	April 1, 2009 – March 31, 2010	April 1, 2010 – March 31, 2011
May	May 1, 2009 – April 30, 2010	May 1, 2010 t– April 30, 2011
June	June 1, 2009 – May 30, 2010	June 1, 2010 – May 30, 2011
July	July 1, 2009 – June 30, 2010	July 1, 2010 – June 30, 2011
August	August 1, 2009 – July 31, 2010	August 1, 2010 – July 31, 2011
September	September 1, 2009 – August 31, 2010	September 1, 2010 – August 31, 2011
October	October 1, 2009 – September 30, 2010	October 1, 2010 – September 30, 2011
November	November 1, 2008 – October 30, 2009	November 1, 2009 – September 30, 2010
December	December 1, 2008 – November 30, 2009	December 1, 2009 – November 30, 2010

*FFY – Federal Fiscal Year

**Or other auditable data source

Incentive Payments

What is the maximum incentive payment that an eligible hospital can receive under the Medi-Cal EHR Incentive Program?

The hospital incentive payment starts at an amount of \$2,000,000 that is adjusted up or down based on patient volume and a number of other factors. Hospitals should access the Hospital Payment Calculation Worksheet at <http://medi-cal.ehr.ca.gov/> for further information. The aggregate hospital incentive payment will be distributed over four years as follows: 50% first year, 30% second year, 10% third year and 10% fourth year.

Adopt, Implement, and Upgrade

What does Adopt, Implement or Upgrade (AIU) mean?

In the first participation year of the Medi-Cal EHR Incentive Program, eligible providers and hospitals will receive the incentive payments by adopting, implementing or upgrading (AIU) a Certified EHR. CMS defines AIU as:

- Adopt--to acquire and install a certified EHR system
- Implement-- to begin using a certified EHR system
- Upgrade--to expand a certified EHR system that is already in use

What is a Certified EHR System?

The Secretary of the Department of Health and Human Services has implementation specifications, and certification criteria for EHR technology. Certified EHR systems have to be tested and certified as such by the Office of the National Coordinator. A list of certified EHR systems can be found at <http://onc-chpl.force.com/ehrcert>. It includes both complete and modular systems for both ambulatory and inpatient use. If modular systems are used they must be combined so as to provide the full functionality of a complete system.

What information is the state requiring from hospitals to prove that they are in the process of adopting, implementing or upgrading to a certified EHR in order to qualify for the Incentive Program?

The program requires a financial or legally binding agreement to adopt, implement or upgrade certified EHR technology. This can be in the form of a contract, purchase order, service order, lease agreement or other documentation.

Can a hospital sign a contract for certified EHR technology during the 60-day extension period for attestation and still be eligible for incentive payments for that year?

No. The Final Rule §495.314 states that adoption, implementation, or upgrade must be demonstrated during the payment year. For hospitals the payment year ends September 30th, although hospitals have until November 30th to complete the application and attestation process for the last payment year. In accord with the Final Rule, CMS has instructed that the 60-day extension period cannot be used for demonstrating AIU or meaningful use.

Meaningful Use

What is meaningful use?

Meaningful use of an EHR is demonstrated by providers and hospitals reporting on a number of required functional and clinical objectives established by CMS. For 2011 the Medi-Cal EHR Incentive Program will not be accepting reports on the meaningful use objectives and providers and hospitals will receive the first year payments by demonstrating AIU. Beginning in 2012 the program will accept reports on meaningful use objectives, and providers will be required to submit these reports in order to continue receiving payments after their AIU payment year.

If a hospital fails to report on meaningful use objectives must the AIU incentive payments be returned?

No. The incentive payments received for each year in the program are separate from each other.

Program Registration and Enrollment

How do hospitals register for the program?

On October 3, 2011, the enrollment process for hospitals began. This consists of two steps:

Step one: register with CMS's national level registry (NLR) at <https://ehrincentives.cms.gov/hitech/login.action>

Step two: register with California's state level registry (SLR) at <http://medi-cal.ehr.ca.gov/>. Providers and hospitals can begin the enrollment process with the SLR, but the application will not be processed until enrollment has been completed with the NLR.

Hospitals may enroll for AIU for payment year 2011 until November 30, 2011. After November 30th, hospitals must apply for payment year 2012.

What information will hospitals need to enter into the SLR for enrollment?

A workbook is available at <http://medi-cal.ehr.ca.gov/> to assist hospitals in preparing for enrollment. It is recommended that the workbooks be examined before beginning the enrollment and registration process.

If hospitals desire to participate, must they apply for the program in 2011?

No. However, interested hospitals must start participating in the Medi-Cal Incentive Program by 2016.

Do participating hospitals need to register every year for the Medi-Cal EHR Incentive Program?

No. Until 2016, there is no requirement to participate in the Medi-Cal Incentive Program on a consecutive year basis. Starting in 2016, hospitals must participate on a consecutive year basis and must receive an incentive payment each year in order to continue participating in the program.

When does the Medi-Cal EHR Incentive Program end?

The program is currently scheduled to end in 2021. Hospitals are no longer able to participate after receiving four yearly payments.