

Provider

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 providers are eligible for the Medi-Cal EHR Incentive Program?

Eligible providers include:

- Physicians
- Nurse Practitioners
- Certified Nurse-midwives
- Dentists
- Optometrists (CMS approval pending)
- Physician Assistants working in a Federally Qualified Health Center (FQHC) or Rural Health Clinic (RHC) that is led by a physician assistant

Can any Medi-Cal provider receive EHR incentive program payments?

In order to be eligible for payments providers are required to have 30% or more of their patient volume attributable to Medi-Cal patients during a 90-day period in the preceding calendar year. Pediatricians can qualify at the 20-29% level but will receive payments reduced by one-third at this patient volume level. Providers that practice predominantly in a Federally Qualified Health Center (FQHC) or Rural Health Clinic (RHC) may count Healthy Families, partial pay, and uninsured patients towards meeting the 30% (or 20%) patient volume requirement. For this purpose, practicing predominantly is defined as having at least 50% of the provider’s patient encounters occur at an FQHC or RHC in a 6-month period in the most recent calendar year.

Providers whose practice volume occurs 90% or more in an acute hospital or emergency room setting are not eligible for Medi-Cal EHR Incentive Program payments.

How is patient volume calculated?

The provider may calculate patient volume for a representative, continuous 90-day period in the preceding calendar year using either of two formulas:

- **Formula 1:**

$$\frac{\text{Total Medi-Cal Encounters}^*}{\text{Total All Patient Encounters}}$$

* Note: Medi-Cal encounters may only be counted once for services received from the same provider on the same day. Medi-Cal encounters must be at least partially paid for by Medi-Cal and must involve federal financial participation. For this reason Medi-Cal encounters may not be counted for services in the 13 Medi-Cal aid codes that do not include federal financial participation, including OR, OT, 2V, 4V, 53, 65, 7M, 7N, 7P, 7R, 71, 73, 81.

- **Formula 2:**

$$\frac{\text{Total Patients Assigned to a Medi-Cal Capitated Panel}^* + \text{Total Medi-Cal Encounters}}{\text{Total Patients Assigned to a Capitated Panel}^* + \text{Total Patient Encounters}}$$

* Note: In order to be counted in either the numerator or denominator, capitated panel patients must have had at least one encounter in the twelve months immediately preceding the 90-day period selected for determining eligibility.

Is there a minimum amount that a provider must spend on implementation, adoption or upgrading of a certified EHR in order to qualify for the Incentive Program?

There is no minimum spending amount that must be demonstrated. The only requirement is a binding legal or financial agreement to adopt, implement or upgrade to certified EHR technology. This can be in the form of a contract, lease or other appropriate documentation.

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

Providers can only participate in one program at a time and can switch between programs once before the 2015 payment year. The Medicare EHR incentive program is administered directly by 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.

When a provider begins in the Medicare EHR Incentive Program and subsequently switches to the Medi-Cal EHR Incentive Program is the provider eligible for the first year AIU payment?

No. A payment for AIU can only be made in the first year of the Medi-Cal program and providers who switch from Medicare to Medi-Cal are considered to be in the same payment year they would have been in had they started first with the Medi-Cal program. Section 495.10 of the Final Rules states that an EP who switches programs "Is placed in the payment year the EP would have been in had the EP begun in and remained in the program to which he or she has switched."

Incentive Payments

What are the maximum incentive payments an eligible provider can receive under the Medi-Cal EHR Incentive Program?

The maximum incentive payment for providers is \$63,750 over a period of 6 years. The first year payment for adopting, implementing, or upgrading a certified EHR is \$21,250 with 5 subsequent payments of \$8,500 for demonstrating meaningful use of the EHR. Payments to pediatricians qualifying at the 20-29% patient volume level are reduced by one third.

Can providers reassign their payments to a clinic or other entity?

Providers may voluntarily reassign their full incentive payment to their employer or to an entity with which they have a contractual arrangement allowing the employer or entity to bill and receive payment for the EP's covered professional services. Partial reassignment of payments is not permitted.

Are providers required to use the incentive payments for offsetting the cost of an EHR?

The incentives are not a reimbursement and may be used at the provider's discretion, similar to a bonus payment.

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 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.

Can a provider 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 providers the payment year ends December 31st, although providers have until February 29th 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.

Can dentists attest to AIU with a non-dental certified EHR?

Yes, at present there is no requirement that the certified EHR technology must be specialty-appropriate.

Meaningful Use

What is meaningful use?

Meaningful use of an EHR is demonstrated by providers 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 year.

If a provider 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 providers register for the program?

Beginning in December 2011 providers may begin the enrollment process. 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 may begin the enrollment process with the SLR, but the application will not be processed until enrollment has been completed with the NLR.

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

When the provider portal opens in the SRL, a workbook will be available at <http://medi-cal.ehr.ca.gov/> to assist providers in preparing for enrollment. It is recommended that the workbooks be examined before beginning the enrollment and registration process.

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

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

Do participating providers 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, if a provider does not receive an incentive payment in a given year, the year will still count as a payment year.

When does the Medi-Cal EHR Incentive Program end?

The program is currently scheduled to end in 2021. Providers are no longer able to participate in the program after receiving six yearly payments