

Hospitals

Medi-Cal EHR 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. For specific FAQs, click on a topic below:

[Eligibility Requirements](#)

[Incentive Payments](#)

[Adopt, Implement, or Upgrade \(AIU\)](#)

[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. Beginning in program year 2013 children’s hospitals without CCN numbers are eligible to participate by special arrangement with DHCS.

What constitutes a “billable” Medi-Cal service?

A complete list of the CPT codes for billable Medi-Cal services can be found at: <http://files.medi-cal.ca.gov/pubsdoco/rates/rateshome.asp>

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.

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, or Upgrade (AIU)

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 3 month extension period for attestation and still be eligible for incentive payments for that year?

For the 2016 program year only, hospitals may qualify for AIU by signing a contract or other binding document for certified EHR technology during the 3-month extension period ending March 31, 2017. Contracts for prior program years must have been signed during the program year and not during the extension period. (Revised 7-25-16)

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. DHCS began accepting meaningful use attestations for the 2012 program year on September 28, 2012.

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

No. hospitals can retain their first year AIU payments even if they fail to attest to meaningful use in subsequent program years.

Can medical assistants use an EHR for the purposes of CPOE?

The Final Rule for Stage 2 published September 5, 2012, states that for the purposes of CPOE the definition of “licensed healthcare professionals” who can enter data into a EHR has been expanded to include “credentialed medical assistants.” The criteria for credentialing is not defined except that credentialing “would have to be obtained from an organization other than the employing organization.”

The State of California does not license medical assistants, but according to the Medical Board of California a medical assistant may be considered to be “certified” if they pass an exam offered by any of three national certifying agencies (http://www.mbc.ca.gov/allied/medical_assistants.html) Also, according to the California Code of Regulations, Title 16 of the Professional and Vocational Regulations, Section 1366.3(a) medical assistant training may be administered in either of two settings: (1) under a licensed physician, RN, LVN, PA or a qualified medical assistant; or (2) via a secondary, postsecondary or adult education program, in a community college program or institution accredited by a recognized accreditation agency.

For the purposes of assisting with CPOE in the EHR Incentive Program, DHCS considers a medical assistant to be credentialed if: 1) the medical assistant is certified as defined by the Medical Board of California or 2) the medical assistant has completed a secondary, postsecondary, adult, community college or institutional program as described in option 2 of the California Code of Regulations, Title 16 of the Professional and Vocational Regulations, Section 1366.3(a).

The Medicare EHR Incentive Program is requiring the electronic submission of CQMs in 2014. Will the Medi-Cal EHR Incentive Program also require this in 2014?

No. DHCS does not currently have the ability to electronically receive CQM data from EHRs. For this reason, DHCS will continue to require submission of CQM data into the State Level Registry by attestation in 2014. Any future plans to require electronic submission of CQM data from EHRs will be announced on the State Level Registry home page.

Program Registration and Enrollment

How do hospitals register for the program?

This consists of two steps:

1. Step one: register with CMS's national level registry (NLR) at <https://ehrincentives.cms.gov/hitech/login.action>
2. 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 2013 until December 31, 2013. After December 31st, hospitals must apply for payment year 2014.

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 by a certain date?

Yes. Hospitals must start participating in the Medi-Cal Incentive Program by December 31, 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.