Medicaid EHR Incentive Program

The Medicaid EHR Incentive Program: Overview, Program Integrity & Compliance

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Why it Matters

Improve Care

Reduce Costs

Advance Coordination

HEALTH ECOSYSTEM
Key Questions

1) What is the Medicaid EHR Incentive Program?
2) How do you determine who qualifies?
3) What are the program requirements in Year One? Year Two?
4) When is the state accepting applicants?
5) How are you ensuring program integrity?
6) What do you need to do to ensure compliance?
Origin of the Medicaid EHR Incentive Program

• Obama Administration signs into legislation ARRA in February 2009, includes HITECH Act

• 100% of incentive payments from federal government. Program administration is 90/10 match

• HITECH Act allows CMS to provide financial incentives to encourage adoption, implementation, upgrade of EHR technology to reach “meaningful use”

• HITECH calls for state Medicaid agencies to oversee administration of Medicaid EHR incentive programs in their respective states
The State’s Administrative Match

- The 10% administrative match covers:
  - Developing procedures for everything from verifying eligible hospitals and professionals to making and reporting payments.
  - Integrating procedures such as accounting and auditing into existing Medicaid processes.
  - Finalizing state program decisions for everything from patient volume calculations to required “meaningful use criteria”.
  - Creating provider awareness, education and information program.
Medicaid EHR Incentive Program Drives Forward!
Who Can Participate

**ELIGIBLE PROFESSIONALS**

- Physicians (doctors of medicine and doctors of osteopathy)
- Nurse practitioner
- Certified nurse-midwife
- Dentist
- Physician assistant who furnishes services in a Federally Qualified Health Center or Rural Health Clinic led by a physician assistant

**ELIGIBLE HOSPITALS**

- Acute Care Hospitals
- Children's Hospitals
- Stand-alone Cancer Hospitals
Hospital Eligibility

- One CMS Certification Number (CCN) = one hospital
- Acute Care – 10% minimum Medicaid patient volume
  - Average length of stay is less than or equal to 25 days
  - CCN range (0001-0879; 1300-1399)
- Children’s Hospitals (CCN 3300-3399) – No requirement
- Cancer Hospitals – No requirement
- Critical Access Hospitals
Year One: AIU

**Adoption**
Acquired or installed prior to incentive (e.g. evidence of acquisition, installation, etc.)

**Implementation**
Began use (e.g., staff training, data entry of patient demographic, etc.)

**Upgrade**
Expanded or added new functionality to meet definition of certified EHR technology

Must be certified EHR technology!
Year Two and Beyond: Meaningful Use

A provider must demonstrate meaningful use by:

✓ Use of certified EHR technology in a meaningful manner, such as through e-prescribing,

✓ That the certified EHR technology is connected in a manner that provides for the electronic exchange of health information to improve the quality of care, and

✓ In using this technology, the provider submits clinical quality measures to CMS, or to the State if Medicaid-only
Incentive Payments for Medicaid Eligible Hospitals

• Initial Amount = a base amount of $2 million + discharge-related amount.

• Subsequent payments will factor in average annual growth rate and transition factor.

• Washington state Medicaid will pay incentives out over four years:
  - Year 1 = 40%
  - Year 2 = 25%
  - Year 3 = 20%
  - Year 4 = 15%

• Hospitals must meet 10% Medicaid patient volume each year and Meaningful Use for subsequent years (Cancer and Childrens hospitals are exempt).
Payments Planned To Begin By September

• Medicaid intends to begin distributing incentive payments no later than September of 2011.

• This timeline allows:

  ✓ Washington’s eligible hospitals and eligible professionals the opportunity to review and select certified EHR products, and adopt, implement or upgrade their technology.

  ✓ Medicaid to fully staff our team, finalize and integrate business processes, and develop tools and educational materials.

  ✓ Medicaid to put the EHR Incentive Program registration in place.
What does the application process look like?

1. **Register with CMS**
   - You may register **only** when the state application goes live
   - This data is sent to Washington state

2. **Apply/ Attest/ Submit**
   - Application and Attestation completed in state interface

3. **Review Process**
   - MPA reviews all applications
   - During review, MPA may ask identified providers for additional information prior to issuing payment

4. **Notification/Payment**
   - Qualified Providers notified of payment electronically and by mail
   - Payments made to providers who qualify
Year One – Timeline Highlights

**January – February**
- Procedures Documented
- Develop Tool Kit
- Provider Outreach

**May - June**
- Begin Receiving Registration
- Provider, Hospital Education

**March - April**
- EHR Program Readied
- Procedures put in place
- Provider, Hospital Education

**July - August**
- Preparations to Begin EHR Incentive Payments
- Ongoing Program Support

**September - October**
- Finalization of Incentive EHR Payments
- Ongoing Program Support

**December**
- Reconcile any first year needs
- Ready for Year Two registration

**January 2012**
- Registration begins for Year Two
- Start of Meaningful Use Incentive effort
Program Integrity for the Medicaid EHR Incentive Program
The EHR Program and the Role of Compliance

• Compliance is fostered by a “Culture of Compliance”

• **The EHR Incentive Program:**
  – Sponsored by CMS
  – Managed by State Medicaid Programs
  – Primary eligibility is determined by Medicaid patient volume
The EHR Program and the Role of Compliance

- **1998 OIG Compliance Guidance for Hospitals**
  - Policies/Procedures that promote the hospital’s commitment to and that address issues like claims development and submission processes.
  - Providing education and training.
  - Using audits and evaluations to monitor compliance and assist in the reduction of identified problem areas.
The EHR Program and the Role of Compliance

- Some hospitals/systems have well established EHRs, trained staff, and fully interoperable systems

- **Who is in charge?**
  - The CFO, CIO, a medical or special technical director, or a committee?
  - Is there a role for the Compliance Officer, and if so, what is it?
  - Issues of data integrity, of performance, of documentation and maintaining an audit trail
The EHR Program: A Few Notes of Interest

- **88 hospitals** in Washington State may qualify if they reach the 10% Medicaid patient volume threshold.
- The average incentive payment in Year 1 will be approximately **$725,000**.
- Hospital average for all four years: **$1.8 Million**.
- Total anticipated through 2021: nearly **$160 Million**.
The EHR Program: Eligibility—Medicaid Patient Volume

- Patient Volume is an annual calculation

- Per §495.306(c)(2), the eligible hospital must divide:
  - The total Medicaid encounters in any representative, continuous 90-day period in the preceding fiscal year

  --BY--

  - The total encounters in the same 90-day period.
The EHR Program: Eligibility—Medicaid Patient Volume

Per §495.306(e)(2), “Medicaid encounter” means:

- Services rendered to an individual per inpatient discharge
  
  --AS WELL AS--

- Services rendered in an emergency department on any one day
  
  . . . where Medicaid or a Medicaid demonstration project paid for all or part of the service, or all or part of the individual’s premiums, copayments, and/or cost-sharing.
The EHR Program: Eligibility—“AIU” and “MU”

- Hospitals are eligible for incentives under both Medicaid and Medicare.
- For those demonstrating MU under Medicare, they are deemed to have met MU for Medicaid.
- If not, in 2011 hospitals wishing to qualify for Year One of their Medicaid incentive payment must “adopt, implement, or upgrade” certified EHR technology.
The EHR Program: Creating and Retaining an Audit Trail

• In 2011, in Washington State, AIU documentation must be submitted to the State prior to application review and payment

• AIU documentation can be a statement, a bill, a signed vendor contract that indicates—at the very least—acquisition of certified EHR technology.

• AIU documentation should indicate all modules or suites, such that EHRs on the documentation can be reconciled with the EHRs represented by the certification number.
The EHR Program: Creating and Retaining an Audit Trail

• **Patient Volume Calculations:**
  – Use EHRs or other business management software
  – Retain data, calculations, and any information regarding exceptional factors that affected the outcome.

• **Meaningful Use:**
  – Same philosophy: document and retain
  – Further direction in coming months
Key Takeaways

✓ The EHR Incentive Program will contribute significantly to the development of interoperable EHR infrastructure in the State of Washington.

✓ A Compliance Program may likely have a role; guidance within the organization should be sought and be explicit.

✓ Patient volume calculations are required annually.

✓ AIU documentation must be submitted in first year of participation if not meeting MU under Medicare.

✓ Create an audit trail and retain it for 6 years after the hospital receives its final EHR incentive payment.
Program Resources

• Washington Medicaid Website  
  http://hrsa.dshs.wa.gov/News/HealthIT.htm

• Sign up for Medicaid Email Distribution List at
  https://fortress.wa.gov/dshs/hrsalistsrvsignup/

• CMS EHR Incentive Program Web Site  
  http://www.cms.gov/EHRIncentivePrograms

• Office of National Coordinator – info about Certified
  EHR Technology and Certification Numbers
  http://healthit.hhs.gov

• WIREC  www.wirecqh.org

• Questions for Medicaid:  HealthIT@dshs.wa.gov