

The American Recovery & Reinvestment Act was signed into law on February 17, 2009. The health IT component of the Bill, the HITECH Act, appropriates \$19.2B to encourage the adoption of electronic health records (EHR). The Stimulus Bill could pay for digitizing your practice workflow to support EHR transition at ZERO net cost to the physician. For many, the incentive payment is enough to cover the cost of Computed Radiology (CR) and EHR systems while producing a substantial “surplus” ([please see Q/A below](#)). The following example is for a practice with 3 providers:

Stimulus Payment / Provider	\$44,000
Est. EHR and CR Total Cost for 3 Provider Practice	\$64,000
Est. Stimulus Payment Surplus to 3 Provider Practice	\$68,000

Early adopters would benefit most as about 70% of the payments come in the first two years.

The Physician Frequently Asked Questions

1. What does the bill mean to the typical physician?

Basically, the Bill provides that qualified physicians who utilize a certified electronic health record in a “meaningful” way will receive incentive payments through additional reimbursements via either Medicare or Medicaid, depending upon the individual physician’s payor mix. Incentive payments ranging from a maximum of \$ 44,000 under the Medicare incentive option or \$ 64,000 under the Medicaid option are available to EACH qualifying physician, regardless of group practice size. The payments are made over a five year period beginning in 2011.

2. What is the difference between the Medicare and Medicaid incentive options?

Generally, the Medicaid program offers up to \$64,000 to physicians who see more than 30% of patients paying with Medicaid, (20% for pediatricians). The Medicare program offers individual physicians up to \$44,000 in incentive payments. Providers can only receive incentive payments from one of the programs and will need to determine where they stand to benefit most.

3. When would I become eligible and what is the time line for payments under Medicare?

The incentives would be received only upon meaningful use of certified EHR. Stimulus payments would commence in 2011 and continue according to the

following timeline:

Year First Qualified	2011	2012	2013	2014	2015	2016	Total
2011	\$18,000	\$12,000	\$8,000	\$4,000	\$2,000	\$0	\$44,000
2012	\$0	\$18,000	\$12,000	\$8,000	\$4,000	\$2,000	\$44,000
2013	\$0	\$0	\$15,000	\$12,000	\$8,000	\$4,000	\$39,000
2014	\$0	\$0	\$0	\$0	\$12,000	\$8,000	\$24,000
2015 or Later	\$0	\$0	\$0	\$0	\$0	\$0	\$0

*Eligible professional serving “Health Professionals Shortage Area” will receive an incremental payment of 10%.

4. Under Medicaid who is eligible to receive incentive payments and what is the timeline for payments?

Generally, the Medicaid program offers up to \$64,000 to providers who see more than 30% of patients paying with Medicaid, (20% for pediatricians). Beginning in 2011, the Medicaid incentive payment will be based on a calculation that includes the provider’s Medicaid mix and qualifying IT related expenses. Payments could amount up to \$25,000 the initial year and \$10,000 each subsequent year for a total period of five years. Pediatricians, who only meet the 20% threshold of Medicaid patients, would be eligible for 66% or the payments described above.

5. My group has 10 physicians. Could the group qualify for total incentive payments of \$440,000 under the Medicare incentive program?

Yes. If each of the physicians meets the criteria including the ability to demonstrate meaningful use of a certified EHR system by 2012, the group could be entitled to a total of \$440,000 in incentive payments under the Medicare program.

6. Is “Meaningful Use” defined in the legislation?

An initial in description include the following aspects:

- The ability for electronic exchange of patient health information
- The use of a certified EHR with ePrescribing capability
- The ability to report on clinical quality measures

The “Meaningful Use” is still a “work in progress“ expected to be finalized by the Secretary of Health and Human Services before the 2010 year-end.

7. Are “mid-level” providers covered by the incentive programs?

Nurse practitioners and nurse mid-wives should be able to file for incentive payments under the Medicaid program. Physician Assistants may qualify if the PA is practicing in a rural health clinic that is led by the PA or in a Federally Qualified Health Center (FQHC). Mid-level providers do not qualify under the Medicare portion of the incentives.

8. The cost of my EHR system was only \$15,000. If I qualify, will my incentive payment be limited to \$15,000 under the Medicare Plan?

No. Under the Medicare Plan, the requirement to receive the maximum incentive payments is a utilization standard and is not dependent upon the actual cost or purchase method of the EHR system. If you meet all qualifications for the incentive payment, you should receive the maximum payment regardless of the actual cost or purchase method of your EHR system.

For more information on HITECH, please visit the HealthIT.hhs.gov page