eClinicalWorks

The American Recovery and Reinvestment Act

HITECH Act

February 2010

eClinicalWorks® is a leader in ambulatory clinical solutions and has the largest Internet-based EMR system in the country. More than 34,000 providers currently use eClinicalWorks unified EMR/PM system nationwide. Given the extensive functionality found in its solutions, the company is well-positioned to help providers meet any regulations that arise from this stimulus package, and to work with practices and groups as they look to the American Recovery and Reinvestment Act and the HITECH Act (stimulus bill) as the impetus for implementing electronic medical records to improve patient outcomes and reduce costs. This document is eClinicalWorks' interpretation of the bill and is to be used for informational purposes only.

Investing in healthcare technology is a major decision; your investment is safe with eClinicalWorks.

H.R. 1 – The American Reinvestment and Recovery Act of 2009 and the HITECH Act

Overview

The American Reinvestment and Recovery Act of 2009 allocates $2.1 billion for distribution by the Department of Health and Human Services through the Office of the National Coordinator (ONC), intended to assist healthcare providers adopt, implement, and effectively use certified Electronic Health Record (EHR) technology that allows for the electronic exchange of health information. There is also a second component that allocates funds to healthcare providers who demonstrate meaningful use of EHRs, with the net cost to the Federal government anticipated at approximately $19.5 billion after anticipated savings are achieved through efficiencies, tax revenue and Medicare fee reductions for non-adopters.

Incentive Payment Options

There are two incentive payment programs outlined under the HITECH Act - one through Medicare and another from Medicaid. Since providers can only submit for payment of an incentive bonus from one of the programs, each practice will need to analyze its public payer mix to determine where it stands to benefit most.

Both require that a provider prove meaningful use of an EHR product to qualify for the incentives, as well.

Meaningful Use

Meaningful use is defined in three ways in the Bill[1]:

- Use of a certified product complete with ePrescribing capability as determined appropriate by the Secretary of HHS
- The EHR technology is connected for the electronic exchange of PHI
- Complies with submission of reports on clinical quality measures

The final criteria for standards are determined by the Secretary of Health & Human Services. Note that the Secretary of HHS shall seek to improve the use of electronic health records and healthcare quality over time by requiring more stringent measures of meaningful use. On December 30, 2009, ONC announced its Interim Final Rule that specifies an initial set of standards, implementation specifications, and certification criteria for EHR technology[2]. The comment period for the Interim Final Rule on Standards runs until March 15.

[1] *HR 1, pg. 476, 18-25, pg. 477, 1-25, pg. 478, 1-5. Found at: http://www.rules.house.gov/111/LegText/111_hr1_text.pdf*

[2] *http://healthit.hhs.gov/portal/server.pt?open=512&objID=1325&parentname=CommunityPage&parentid=1&mode=2*

What are the bonus payments that will be available to physicians under Medicare?

Under Medicare, physicians will be eligible for up to the following as soon as they can demonstrate meaningful use (beginning in 2011)[3]:

Medicare Bonus Payments							
Year of first filing	**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	$12,000	$8,000	$4,000	$24,000
2015 or Later	$0	$0	$0	$0	$0	$0	$0

Notes:

- Physicians operating in a "provider shortage area" will be eligible for an incremental increase of 10% in their bonus payments.
- Physicians operating entirely in a hospital environment, such as anesthesiologists, pathologists and ED physicians, are ineligible[4], although there is a bill proposed to make them eligible[5].

The Bill - FAQs

What will happen if the provider does not adequately demonstrate meaningful use?

Beginning in 2015, physicians not demonstrating meaningful use will have their Medicare fee schedule reduced as follows:

- For 2015, down to 99 percent of the regular fee schedule
- For 2016, down to 98 percent
- For 2017 and each subsequent year, down to 97 percent

If the Secretary finds that less than 75% of eligible healthcare professionals are utilizing EHR beginning in 2018, the Secretary can further reduce the fee schedule to 96% and then 95% in subsequent years but not further[6].

How is the incentive program structured?

The payment may be in the form of a single consolidated payment or in the form of periodic installments as the Secretary (HHS) may specify[7].

Are Medicare Advantage (MA) organizations eligible for incentive monies?

Qualifying MA organizations are defined as those Medicare Advantage organizations that are organized as a health maintenance organization. These organizations and their providers are eligible for the incentives as long as the provider delivers a minimum of twenty hours a week of patient care services and the organization furnishes at least 80 percent of the services of the individual professional to clients of their organization[8].

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[3] *Ref. HR 1, pg. 472, 22-25, pg. 473, 1-24, pg.474, 1-2. Found at: http://www.rules.house.gov/111/LegText/111_hr1_text.pdf*
[4] *Ref. HR 1, pg. 474, 3-22*
[5] *http://www.finance.senate.gov/sitepages/leg/LEG%202010/021010%20HIREACT%20draft.pdf*
[6] *Ref. HR 1, pg. 483, 12-15, pg. 484, 1-24, pg. 485, 1-2. Found at: http://www.rules.house.gov/111/LegText/111_hr1_text.pdf*
[7] *Ref. HR 1, pg., 475, 24-25, pg. 476, 1-3. Found at: http://www.rules.house.gov/111/LegText/111_hr1_text.pdf*
[8] *Ref. HR 1, pg. 487, 10-24,Found at: http://www.rules.house.gov/111/LegText/111_hr1_text.pdf*

Who is eligible for Medicaid incentive payments?

Eligible providers are eligible for up to $63,750 over a period of six years[9]. A healthcare provider is eligible for incentive payments from Medicaid who:

- Is not hospital-based and has at least 30 percent of the professional's patient volume coming from Medicaid patients;
- Who is a pediatrician, who is not hospital-based and who has at least 20 percent of the patient volume coming from Medicaid patients;
- Practices predominantly in a FQHC or rural health clinic and has at least 30 percent of the professional's patient volume coming from Medicaid patients;
- Is an acute-care hospital that is not described in clause (i) and that has at least 10 percent of the hospital's patient volume coming from Medicaid patients[10] or is a children's hospital.

Incentive payments will be based on a calculation that factors the physician's Medicaid mix in combination with up to $25,000 the first year and $10,000 each subsequent year for five years[11].

Note: Because pediatricians have to meet a lower threshold of only 20% Medicaid patients to qualify for the incentives, they are only eligible for 66% of the incentive payments described above.

Eligibility Requirements

Most physicians stand to earn incentive payments if they can demonstrate meaningful use. However, there are some who will not qualify - those not accepting Medicare, or those that do not have a patient base that is comprised of more than 30% Medicaid patients. Additionally, physicians delivering all care in a hospital, such as anesthesiologists, pathologists or emergency physicians do not qualify.

Note that while most providers must demonstrate that 30% of their patients are using Medicaid in order to qualify for that portion of the program, pediatricians need only prove 20%. This is an effort to facilitate the participation of more pediatricians in the program that would not normally accept Medicare and very well might not have a sufficient Medicaid volume to qualify.

Refer to the Medicaid eligibility guidelines above.

How are Pediatricians and Family Physicians going to be able to participate?

Pediatricians and Family Practitioners must meet the Medicaid payer mix threshold and accept Medicare in order to qualify for Medicaid incentives. If they do not meet these eligibility requirements, they can apply for grants and/or loans to offset the upfront costs of the purchase of an EHR.

Time Frame for Incentive Payments

Qualifying organizations must wait until 2011 to submit for incentive payments[12].

Practices can earn incentives from CMS for ePrescribing utilization, as well as PQRI bonuses without waiting until 2011.

Ambulatory versus In-patient Solutions

The money is not allocated by care setting; the term "certified EHR technology" applies to both ambulatory electronic health records for office based physicians and in-patient hospital electronic health records for hospitals[13].

[9] http://geekdoctor.blogspot.com/2009/09/meaningful-use-for-specialists.html
[10] *Ref. HR 1,521, 1-21, Found at: http://www.rules.house.gov/111/LegText/111_hr1_text.pdf*
[11] *Ref. HR 1 pg. 523, 17-23, pg.524, 1-8, Found at: http://www.rules.house.gov/111/LegText/111_hr1_text.pdf*
[12] *Ref: HR 1, pg. 489, 15-22, Found at: http://www.rules.house.gov/111/LegText/111_hr1_text.pdf*
[13] *Ref. HR 1 pg. 522, 8-15, Found at: http://www.rules.house.gov/111/LegText/111_hr1_text.pdf*

Connectivity and Meaningful Use

At this time, the bill requires only that the certified EHR technology be connected in a manner that provides, in accordance with applicable laws and standards applicable to the exchange of information, for the electronic exchange of health information to improve the quality of health care, such as promoting care coordination[14].

This can be interpreted to mean the ability to exchange data between healthcare providers such as lab and radiology orders, pharmacies and other providers.

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eClinicalWorks

What does this mean to eClinicalWorks' existing customers?

For those practices that already use the eClinicalWorks unified EMR/PM solution, Congratulations!

Assuming they meet the criteria under Medicare or Medicaid and can demonstrate meaningful use, eClinicalWorks customers will be eligible for the utilization incentives. ARRA will reward customers who use an EMR that meets the criteria, offsetting their purchase costs through the utilization incentives.

eClinicalWorks:

- Is CCHIT® 2008 certified in both ambulatory and child health for its EMR Version 8.0
- Has ePrescribing capability
- The EHR technology is connected for the electronic exchange of PHI
- Complies with submission of reports on clinical quality measures

All further details about what type of reporting will need to be submitted, what level of connectivity will be required and the final criteria for standards will be determined by the Secretary of Health & Human Services before the utilization incentives begin.

What does this mean to eClinicalWorks' prospective customers?

For those practices that do not use an EMR but meet the criteria for incentive payments, this program is motivation to adopt a healthcare IT solution soon, allowing sufficient time to implement and learn how to use the application sufficiently to comply with the meaningful use requirement.

Grant dissemination will be prioritized to target organizations that do not currently have an EMR or who have an outdated product that does not meet certification criteria.

Why eClinicalWorks?

eClinicalWorks is a leader in ambulatory clinical solutions. Its solutions create and extend the use of electronic medical records beyond practice walls with the latest technologies and create community-wide records. The company has always devoted all of its efforts to developing, implementing and supporting healthcare software. Unlike other vendors, eClinicalWorks' sole focus has been on helping physicians improve the quality of care delivered.

[14] Ref. *HR 1, pg. 477, 11-21, Found at: http://www.rules.house.gov/111/LegText/111_hr1_text.pdf*

eClinicalWorks has an established customer base of more than 34,000 providers and 100,000 plus medical professional across all 50 states. Its commitment to its customers has been reflected in its success and noted by the industry, having been named to *Inc. Magazine's* Inc. 5000 list of fastest-growing private companies in 2009, 2008 and 2007 as well as the *Healthcare Informatics* 100. Two customers have received the 2008 HIMSS Nicholas E. Davies Award of excellence and one customer in 2009 for their use of eClinicalWorks, proving value from health information technology.

eClinicalWorks has the flexibility and functionality required to deliver healthcare that is both efficient and effective, making informed medical care and transportability of patient health records a reality.

What is eClinicalWorks doing to help its customers achieve meaningful use?
In addition to providing the most comprehensive solutions in the market, eClinicalWorks is working closely with customers to help them achieve meaningful use. Here are some of the tools that eClinicalWorks is proactively offering regarding meaningful use:

- **Guarantee**—eClinicalWorks guarantees that its software will meet the meaningful use criteria, as defined through ARRA, thereby reducing the risk that practices face in investing in new technology;
- **Free Webinars**—Webinars will be offered at no cost to customers to learn what functions within their eClinicalWorks system will help them achieve meaningful use;
- **On-site Assessment**—eClinicalWorks staff to provide on-site services to score practices on their meaningful use readiness; and
- **Online Assessment**—Interactive, online-tool for assessing a customer's meaningful use readiness.

The New York Times

How to Make Electronic Medical Records a Reality
March 1, 2009
By: Steve Lohr

In the world of technology, inventors are hailed as heroes. Yet it is more subtle forms of innovation that typically determine the impact of a technology in the marketplace and on society. Clever engineering, smart business models and favorable economics are the key ingredients of widespread adoption and commercial success.

History abounds with evidence. For years, much of what was known as "Yankee ingenuity" was, in fact, the American ability to pursue commercial applications of British inventions, from the Bessemer steel process to the jet engine. Even in computing, which we regard as made-in-America technology, the first stored-program computer, simple programming language and reusable code were pioneered in Britain.

But, of course, computer technology and the industry really flowered in the United States. That happened in no small part because the federal government nurtured the market with heavy investment, mainly by the Defense Department, and by choosing standards, like the Cobol programming language.

Today, Washington is about to embark on another ambitious government-guided effort to jump-start a market — in electronic health records. The program provides a textbook look at the economic and engineering challenges of technology adoption.

In its economic recovery package, the Obama administration plans to spend $19 billion to accelerate the use of computerized medical records in doctors' offices. Medical experts agree that electronic patient records, when used wisely, can help curb costs and improve care.

The proof is seen in large medical groups, with hundreds or thousands of physicians. They sift, sort and analyze the data from digital records, for example, to better manage the health of patients with costly, chronic conditions like diabetes and heart disease. These larger groups have the scale to invest in information technology, and they are often insurers as well as providers, so they benefit directly from the cost savings.

Yet these large groups are the exceptions in American health care. Three-fourths of the nation's doctors practice in small offices, with 10 doctors or fewer. For most of them, an investment in digital health records looks like a cost for which they are not reimbursed.

It is scarcely surprising, then, that only about 17 percent of the nation's physicians are using computerized patient records, according to a government-sponsored survey published last year in The New England Journal of Medicine.

"This is really not a technology problem," observed Erik Brynjolfsson, an economist at the Sloan School of Management at the Massachusetts Institute of Technology. "It's a matter of incentives and market failure."

That market failure is a principal target of the Obama administration's plan. A main feature of the legislation calls for incentive payments of more than $40,000 spread over a few years for a physician who buys and uses electronic health records. But the technology is just a tool, one that needs to be used properly to improve health care.

So the legislation states that physicians will be paid only for the "meaningful use" of digital records. The government has not yet defined that term precisely. While the long-term goal is better health for patients, that can take years to measure. Consequently, many health experts predict that the meaningful use will be a requirement to collect and report measurements that can be closely correlated with improved health. Examples would be data for blood glucose, cholesterol and blood pressure levels for diabetes patients.

The legislation, health experts say, seems thoughtfully put together, but the obstacles to success will be daunting. "What's underappreciated is the implementation challenge," said Dr. Blackford Middleton, chairman of the Center for Information Technology Leadership, a research arm of Partners Healthcare in Boston.

A crucial bridge to success, according to experts, will be how local organizations help doctors in small offices adopt and use electronic records. The new legislation calls for creation of "regional health I.T. extension centers." In a letter to the White House and Congress last month, Dr. Middleton and 50 other experts emphasized the importance of these centers and pointed to the Primary Care Information Project in New York City as a model.

The New York project's brief history, beginning two years ago with $27 million in financing, offers a glimpse of the challenges of wiring small physician practices. The New York team, headed by Dr. Farzad Mostashari, an assistant commissioner in the city's health department, started by bringing in decision-support experts in medicine to study how doctors work, so the technology would be easier to use. Team members considered writing their own software for simple, Web-based electronic health records, but abandoned that idea once they understood that patient records would have to be tightly linked to billing — a physician's financial lifeblood.

The project's 50-member staff provides centralized technical support and education for doctors and others. "There's no way small practices can effectively implement electronic health records on their own," Dr. Mostashari said. "This is not the iPhone."

The staff worked closely with its software supplier, eClinicalWorks, to tweak and tailor the system. They began rolling out the records a little more than a year ago. They are now used by more than 1,000 physicians, mainly in poorer neighborhoods, whose workplaces include two hospital outpatient clinics, 10 community health centers, 150 small group physician practices and one women's jail, serving a total of one million patients. The rollout is progressing, and the government plan promises to accelerate adoption.

"Our experience here is that it's just hard," Dr. Mostashari said. "It's not impossible."