

On February 17th 2009, President Obama signed the American Recovery and Reinvestment Act of 2009, which includes funding for Health Information Technology.

The purpose of this White Paper is to help physicians and other medical professionals gain a better understanding of what's available, when and from which government entity.

While there are specific requirements to qualify for the receipt of stimulus funds, there are even more stimulus funds sources available than most physicians realize. This document will help you maximize your stimulus return.



HITECH Act 2009 EHR Incentives

The HITECH Act is the Health Information Technology (HIT) section, under the recently approved American Recovery and Reinvestment Act. Under HITECH, the government has allocated \$19.2 billion in incentives to adopt EHR technology.

The recovery bill commits \$19 billion in grants and incentives for companies and practices to buy health information technology in an effort to improve efficiency and quality in the health system. The funding will be allocated as follows:

- \$17.2 billion will be distributed in pay-for-use funding for those proving "meaningful use" of certified EHRs.
- \$2 billion in "jump start" funds to develop the infrastructure and programs to increase HIT adoption.

Eligibility for HITECH Act 2009 Incentives

Providers that implement and have a meaningful use of a certified EHR prior to 2015 are eligible for incentives.

Meaningful users are those that meet each of the following criteria:

- Uses a certified EHR / EMR software solution (Can be either client server or ASP based)
- Submits most prescriptions electronically
- Reports clinical quality measures
- Has an EHR / EMR solution that interconnects electronically for healthcare delivery (HL7 – Health Level Seven)
- Reports billing codes indicating that patient encounters were recorded using an EHR.
- Meaningful use is still evolving.

How does a provider demonstrate "meaningful" use of EHR / EMR?

A professional must satisfy the demonstration requirement through means specified by the Secretary which may include the following:

- Self attestation
- Submission of claims with appropriate coding
- Survey response
- Reporting

Which EHRs / EMRs are eligible for funding or reimbursement?

A certified EHR / EMR technology is one that meets specific standards outlined in the bill. CCHIT Certification sets some standards for EHR / EMR products and has the potential to reduce buying risk for purchasers.

What are the incentives and when will you receive them?

Medicare - Physicians seeing Medicare patients can receive a maximum of \$44K over the course of 5 years. An additional 25% is available to physicians operating in a designated Health Professional Shortage Area (HPSA).

Payout	Current User	Adopt in 2011	Adopt in 2012	Adopt in 2013	Adopt in 2014
2011	\$18K	\$18K	—	—	—
2012	\$12K	\$12K	\$18K	—	—
2013	\$8K	\$8K	\$12K	\$15K	—
2014	\$4K	\$4K	\$8K	\$12K	\$15K
2015	\$2K	\$2K	\$4K	\$8K	\$12K
2016	—	—	\$2K	\$4K	\$8K
Total	\$44K	\$44K	\$44K	\$39K	\$35K

Medicaid - Physicians whose caseloads include at least 30% Medicaid patients are eligible to receive up to \$65K over the course of 5 years.

- Available only to non-hospital based clinicians, including dentists, certified nurse midwives, and physician assistants practicing in rural health clinics or FQHCs.
- Minimum for Medicaid participation: 30% of a clinicians' patients must use Medicaid, with the exception of pediatricians, who only need 20% of their patients using Medicaid.
- Startup incentive up to \$25,000 in state loan funds will be available in year one toward the purchase of a certified EMR.
- After receiving startup funds, providers who can prove "meaningful use" can receive up to \$10K annually for an additional four years.

Medicaid Incentives Schedule								
2011	2012	2013	2014	2015	2016	2017	2018	Total
\$25K	\$10K	\$10K	\$10K	\$10K				\$65K
	\$25K	\$10K	\$10K	\$10K	\$10K			\$65K
		\$25K	\$10K	\$10K	\$10K	\$10K		\$65K
			\$25K	\$10K	\$10K	\$10K	\$10K	\$65K
				\$25K	\$10K	\$10K	\$10K	\$55K
					\$25K	\$10K	\$10K	\$45K

State Incentives for EMR / EHR Procurement and or Adoption

While Federal Government incentives are catching the lion share of press, many states offer additional incentives increasing potential EMR / EHR adoption revenue for solo, small and large medical facilities.

<p><u>Alabama State - EMR - EHR Incentives</u> Medical Protective will award a 2.5% discount for practices with a CCHIT Certified EHR.</p> <p><u>Alaska State EMR - EHR Incentives</u> American College of Physicians (ACP), EHR Partners Program Launched in June 2008, is designed to help physicians purchase and install EHR systems.</p> <p><u>Arizona State EMR - EHR Incentives</u> Appropriations action in 2008 for state spending includes \$300,000 for the Arizona state hospital for an electronic health record.</p> <p><u>Arkansas State EMR - EHR Incentives</u> American College of Physicians (ACP), EHR Partners Program Launched in June 2008, is designed to help physicians purchase and install EHR systems.</p> <p><u>California State EMR - EHR Incentives</u> The Mental Health Services Act provides \$400 million in annual new revenues for the state's public mental health system, with a significant percentage going to EHRs.</p>	<p><u>Nevada State EMR - EHR Incentives</u> Medical Protective will award a 2.5% discount for practices with a CCHIT Certified EHR.</p> <p><u>New Hampshire State EMR - EHR Incentives</u> Medical Protective will award a 2.5% discount for practices with a CCHIT Certified EHR.</p> <p><u>New Jersey State EMR - EHR Incentives</u> Medical Protective will award a 2.5% discount for practices with a CCHIT Certified EHR.</p> <p><u>New Mexico State EMR - EHR Incentives</u> Medical Protective will award a 2.5% discount for practices with a CCHIT Certified EHR.</p> <p><u>New York State EMR - EHR Incentives</u> Health Care Efficiency and Affordability Law for New Yorkers (HEAL NY) issued grants totaling \$105.7 million. Grants range from \$1 million to \$10 million each.</p> <p>Primary Care Information Project (PCIP), is a \$60 million initiative to provide EHR implementation, support and quality-</p>
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Colorado State EMR - EHR Incentives

Colorado Health Foundation supports organizational costs related to health IT planning, training, workflow redesign, and direct costs related to personnel, hardware and software.

Connecticut State EMR - EHR Incentives

Health Net of Connecticut and Connecticut State Medical Society-IPA have a voluntary performance incentive program that provides financial recognition to eligible physicians for performance compared with their peers.

Delaware State EMR - EHR Incentives

CareFirst BlueCross BlueShield (covering Maryland, District of Columbia, Northern Virginia, Delaware) Initiated a reward system for effectiveness in care practices that awards points to physician groups for achieving measures of quality.

Medical Protective will award a 2.5% discount for practices with a CCHIT Certified EHR.

District of Columbia – Washington DC State EMR - EHR Incentives

CareFirst BlueCross BlueShield Initiated a reward system for effectiveness in care practices that awards points to physician groups for achieving measures of quality.

Florida State EMR - EHR Incentives

Florida Agency for Health Care Administration launched in July 2008 a Point of Care Model Electronic Health Record Grants Program, with \$100,000 available the first year.

Sevocity offered up to \$150,000 in grants in July 2008 to small and medium-sized physician practices to adopt EHRs.

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Georgia State EMR - EHR Incentives

Georgia Board of Community Health—Appropriations action for fiscal 2007 includes \$750,000 to the Georgia Association for Primary Health Care to establish a statewide EHR system to link federally qualified community health centers.

Hawaii State EMR - EHR Incentives

Hawaii Medical Service Association (HMSA) The BlueCross BlueShield plan for Hawaii, established the Initiative for Innovation and Quality. Provides \$20 million for purchases of EHRs for physician practices.

Idaho State EMR - EHR Incentives

Appropriations action in 2008 for the Department of Health and Welfare, Psychiatric Hospitalization, includes \$445,000 for an electronic health record.

Illinois State EMR - EHR Incentives

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Indiana State EMR - EHR Incentives

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Iowa State EMR - EHR Incentives

Midwest Medical Insurance Company, will award discounts of 2% to 5% for CCHIT Certified EHR.

Medical Protective will award a 2.5% discount for practices

improvement.

North Carolina State EMR - EHR Incentives

Medical Protective will award a 2.5% discount for practices with a CCHIT Certified EHR.

North Dakota State EMR - EHR Incentives

Midwest Medical Insurance Company, will award discounts of 2% to 5% for CCHIT Certified EHR.

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Ohio State EMR - EHR Incentives

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Oklahoma State EMR - EHR Incentives

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Oregon State EMR - EHR Incentives

Regence Foundation of Regence Group (Blue Cross Blue Shield), Portland, Ore., announced three grants totaling \$195,000 for organizations working to improve health quality.

Providence Health Plans has a merit pay system for providers having a functional CCHIT Certified EHR in their office or being in the process of implementing one.

Pennsylvania State EMR - EHR Incentives

Medical Protective will award a 2.5% discount for practices with a CCHIT Certified EHR.

Rhode Island State EMR - EHR Incentives

Blue Cross Blue Shield of Rhode Island offers Quality Counts. The program has enrolled 80 primary-care physicians, who receive \$5,000 toward EHR.

Medical Protective will award a 2.5% discount for practices with a CCHIT Certified EHR.

South Carolina State EMR - EHR Incentives

Sevocity offered up to \$150,000 in grants in July 2008 to small and medium-sized physician practices and community health centers in Florida, Georgia and South Carolina to adopt EHRs.

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South Dakota State EMR - EHR Incentives

Medical Protective will award a 2.5% discount for practices with a CCHIT Certified EHR.

Midwest Medical Insurance Company, Minneapolis, MN Will award discounts of 2% to 5% for practices with a CCHIT Certified EHR

Tennessee State EMR - EHR Incentives

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Texas State EMR - EHR Incentives

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Utah State EMR - EHR Incentives

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with a CCHIT Certified EHR.

Kansas State EMR - EHR Incentives

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Kentucky State EMR - EHR Incentives

Medical Protective will award a 2.5% discount for practices with a CCHIT Certified EHR.

Louisiana State EMR - EHR Incentives

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Maine State EMR - EHR Incentives

Maine Health Access Foundation has established for 2009 a low-interest loan fund to be used to help Maine's primary-care practices adopt electronic health records.

Maryland State EMR - EHR Incentives

CareFirst BlueCross BlueShield Initiated a reward system for effectiveness in care practices that awards points. Use of a CCHIT Certified EHR is required.

Massachusetts State EMR - EHR Incentives

Physicians Insurance Agency of Massachusetts, will award a 5% credit for using EHR.

Medical Protective will award a 2.5% discount for practices with a CCHIT Certified EHR.

Michigan State EMR - EHR Incentives

MHA Insurance, Lansing, MI Will award a 5% discount the first year, 2.5% afterwards for practices with a CCHIT Certified EHR.

Medical Protective will award a 2.5% discount for practices with a CCHIT Certified EHR.

Minnesota State EMR - EHR Incentives

Electronic Health Record Revolving Account and Loan Program. Includes \$6.3 million in no-interest loans to hospitals, nursing homes, clinics and other healthcare providers.

Mississippi State EMR - EHR Incentives

Medical Protective will award a 2.5% discount for practices with a CCHIT Certified EHR.

Missouri State EMR - EHR Incentives

Appropriations for the Department of Social Services: includes a total of \$1.4 million to fund a regionally integrated EHR system linking rural physicians and hospitals.

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Montana State EMR - EHR Incentives

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Nebraska State EMR - EHR Incentives

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Midwest Medical Insurance Company, Minneapolis, MN Will award discounts of 2% to 5% for practices with a CCHIT Certified EHR

with a CCHIT Certified EHR.

Vermont State EMR - EHR Incentives

Vermont Health IT enacted in 2008 for fiscal 2009. It is expected to raise approximately \$32 million over 7 years as a stable source of public funding for EHR.

Medical Protective, professional liability insurer, Fort Wayne, IN Will award a 2.5% discount for practices with a CCHIT Certification.

Virginia State EMR - EHR Incentives

CareFirst BlueCross BlueShield Initiated a reward system for effectiveness. Use of a CCHIT Certified EHR is one of 11 quality measures and is worth 20 points.

Virginia Legislature appropriations include \$750,000 in 2007 and \$800,000 in 2008 for grants to providers to acquire EHRs.

Medical Protective will award a 2.5% discount for practices with a CCHIT Certified EHR.

Washington State EMR - EHR Incentives

Providence Health Plans has a merit pay system for providers having a functional CCHIT Certified EHR in their office or being in the process of implementing one.

West Virginia State EMR - EHR Incentives

Highmark, a health insurer serving western Pennsylvania as well as West Virginia, is offering grants per physician of up to \$7,000 or 75% of the cost of EMR.

Medical Protective will award a 2.5% discount for practices with a CCHIT Certified EHR.

Wisconsin State EMR - EHR Incentives

Healthcare providers who purchase IT software or hardware used to create and maintain EHRs can claim up to 50% of the cost of the system.

Medical Protective will award a 2.5% discount for practices with a CCHIT Certified EHR.

Midwest Medical Insurance Company, will award discounts of 2% to 5% for CCHIT Certified EHR.

Wyoming State EMR - EHR Incentives

Medical Protective will award a 2.5% discount for practices with a CCHIT Certified EHR.

How payments will be received

The payment may be in the form of a single consolidated payment or in the form of periodic installments.

Should I wait until all HITECH details become clear before buying an EHR?

No, because well-designed implementations may take several weeks to one year and most reputable EHR companies will have significant implementation backlogs. You should consider finalizing your EHR purchase in 2009 in order to qualify for 2011 incentives and the full 5-year incentive bonus.

Additionally, some of the incentive programs described in this document require 1 full year of EMR / EHR use to qualify.

About Octave Solutions

Octave Solutions has been helping medical companies for over a decade. From medical device manufacturing, CFR 21 Part 11 Compliance, to Electronic Medical Record solutions. Experience counts. Never before has an industry like EMR software seen such an influx of new participants and businesses offering EMR. Driven by HITECH stimulus funds, software vendors are flocking to the EMR industry. Experience counts and Octave Solutions has a reputation of providing quality medical solutions on-time and on-budget. Visit www.octavesolutions.com to learn more about Octave Solutions and Prognosis EMR, the award winning low cost EMR solution for every specialty.

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Sources:

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