

Frequently Asked Questions (FAQ): *Healthcare IT Incentives*

Updated July 13, 2010

1. What Is It?

As part of President Obama's economic stimulus package officially known as the **American Recovery and Reinvestment Act of 2009 (or ARRA)** approximately \$20 Billion has been allocated to incentivize hospitals and physicians to adopt Healthcare IT technology such as Electronic Health Records and E-Prescribing.

\$17.2 Billion of this money will be available as incentives through the Medicare and Medicaid reimbursement systems to assist providers in adopting EHRs.

Some people refer to this program as HITECH. This designation is the section of ARRA that applies to healthcare technology. The HIT provisions of the Recovery Act are found primarily in Title XIII, Division A, Health Information Technology, and in Title IV of Division B, Medicare and Medicaid Health Information Technology. These titles together are cited as the Health Information Technology for Economic and Clinical Health Act or the HITECH Act.

Physicians must use a "certified" EHR, and will have to demonstrate "meaningful use" of that EHR software over a 90-day period.

If they meet these requirements, physicians would receive substantial incentive payments through the Medicare and Medicaid reimbursement systems. Also like the E-Rx incentives, physicians that do not participate will begin to see penalties after a certain amount of time (beginning in 2015).

2. What It Is Not.

Contrary to what some news stories have implied and what some physicians may have concluded, **Physicians will not be sent checks for \$40,000 to \$63,750 to go shop for an EHR.** They can qualify for those payments over 5 years starting in 2011.

3. How Can Physicians Get Paid Under ARRA?

Eligible Physicians will need to use a "certified" EHR and demonstrate "meaningful use" through a specific selection of the 25 meaningful use criteria as outlined in the Final Rule issued in July. Based on meeting those requirements, physicians will receive a bonus or incentive payment from CMS (Medicare) or from Medicaid in 2011 through 2015.

4. How Much Can Physicians Get Paid?

Payments can be substantial if a physician fully participates in the program. For the Medicare program, the payments start at \$18,000 per physician in 2011 and total up to \$44,000 per physician over the life of the program. The Medicaid program is similar but total payments can be up to \$63,750 per physician.

5. What is the Payment Schedule?

The table below details payments to physicians under the Medicare program.

Payment Year	Incentive*
First Payment Year	•\$18,000 if the first payment year is 2011 or 2012 •\$15,000 if the first payment year is 2013
Second Payment Year	\$12,000 (if first year is 2014, payments start here)
Third Payment Year	\$8,000
Fourth Payment Year	\$4,000
Fifth Payment Year	\$2,000 (not available if first payment year is 2014)

*Amount limited to 75% of Medicare reimbursements
 *For providers in a health professional shortage area (HPSA), payment amounts will be increased by 10%
 Penalties start in 2015 for providers who have not yet adopted.
 Medicaid payments are calculated differently.

6. What is the Definition of Physician for ARRA Payment Purposes?

Every physician, as defined below, can qualify for the payments. It is not per practice, it is per physician. Also the amount of bonus payments is not tied to the cost of the system. The only limitation is 75% of Medicare reimbursements each year. So each physician can claim up to 75% of Medicare reimbursements up to the amount on the preceding table. Again, the rules for Medicaid are slightly different.

In ARRA only "eligible professionals" can get reimbursements. ARRA defines EPs as: "(C) ELIGIBLE PROFESSIONAL.—The term 'eligible professional' means a physician, as defined in section 1861(r)." Section

1861(r) refers to a Section of the Social Security Act, which defines the term “physician” as a doctor of medicine or osteopathy, a doctor of dental surgery or of dental medicine, a doctor of podiatric medicine, a doctor of optometry, or a chiropractor. The complete definition can be found on the stimulus page of our website. (NOTE: Definitions for eligible professionals for Medicaid are different.)

7. When Can Physicians Get Paid?

The earliest a physician could receive an incentive payment is in 2011. Follow on payments for participating physicians would then occur on an annual basis in the amounts shown in the table above.

8. What Products Will Be Certified?

The Office of the National Coordinator for Health Information Technology (ONC) issued a Final Rule on July 13, 2010 describing the certification requirements. Certification is expected to start in the next few months and ARRA 2011 certified EHRs should be available before the end of the year. Since the certification process was modeled after CCHIT, products that are CCHIT Certified are likely to be certified under ARRA.

Therefore a physician should start using a CCHIT certified product now so their offices are ready to demonstrate meaningful use early in 2011 and be ahead of the rush.

9. Will SpringCharts Be Certified?

Yes. SpringCharts EHR is currently CCHIT Certified and will be ARRA certified as soon as the certification process is available. We have been updating SpringCharts over the past 8 months, re-engineering over 25% of our software code in preparation for ARRA certification. SpringCharts Falcon (to be released in September) meets most of the requirements and SpringCharts Version 10 will be ARRA certified. Physicians can feel confident that implementing SpringCharts EHR now is a smart decision.

10. Why Should Physicians Buy Now?

The benefits that physicians can realize in their practice through the use of an EHR including higher reimbursements, better care and efficiency, the ability to see more patients in less time, are well established. For instance, physicians who do not use an EHR make less money each and every year they put off the move to electronic health records. Our customers have confirmed that a physician can generate **over \$300 per day in savings** and added income to the practice by moving from paper records to SpringCharts EHR.

The government incentives will only add to the above savings.

The Final Rule sets the time required to demonstrate meaningful use at 90 days. A practice needs to use their EHR for some time prior to the 90 day demonstration period to be “ready” to demonstrate meaningful use. Current SpringCharts users are already trained on key functions so they will be ready to demonstrate meaningful use with ease.

Looking long term, practices that implement now will beat the rush expected to start in the next few months, as physicians scramble to implement and EHR. Inevitably, those that wait too long will find it more difficult to obtain training and implementation services before the first of the year and may not be ready when the program starts.

There are over 200,000 practices (400,000 doctors) in the 1-10 physician range with only 10% using EHRs in a “meaningful way” today. If a practice doesn’t implement in the next few months, they will most likely miss the window for the first year payments.

11. Can Spring Medical Spread Out My Payments for SpringCharts?

Spring Medical has several leasing programs available. Since the ARRA stimulus payments are just around the corner, we recommend our 0% Interest Lease. Pay for most of your purchase after the stimulus payments start coming in, without paying any interest. Match your payments with your stimulus receipts and never be out-of-pocket by very much.

Additional Info: http://www.springmedical.com/stimulus_guide.html

Join us for an internet demo: <http://www.springmedical.com/InternetDocDemo.html>

Contact us for the name of your local Value Added Reseller or Spring Medical Regional Sales Director: 888-767-4827 or Info@SpringMedical.com

Download a full working copy of SpringCharts EHR to try out today:
<http://www.springmedical.com/scdemo.html>

SpringCharts® EHR – “Systematically Saving Lives™” Every Day