

Funding for Health IT Through the American Recovery & Reinvestment Act of 2009

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Medicare and Medicaid Incentives

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Certified EHR Technology

- Certified EHR Technology: A qualified EHR that is certified as meeting standards applicable to the type of record involved
- Qualified EHR: Electronic record of health-related information on an individual that:
 - Includes patient demographic and clinical health information, such as medical history and problem lists, and
 - Has the capacity to:
 - Provide clinical decision support,
 - Support physician order entry,
 - Capture and query information relevant to healthcare quality, and
 - Exchange electronic health information with, and integrate such information from other sources

Medicare Incentives for Physicians

- Money is available commencing in 2011
- Compensate “meaningful EHR users” in an amount equal to an additional 75% of the allowed charge for professional services furnished by physicians
- Incentives are for 5 years, with a decreasing schedule each year
- Phase down for physicians adopting after 2013
- Physicians whose first payment year is after 2014 receive no incentives
- No incentives after 2016
- Beginning 2015, reduction in Medicare reimbursements by 1 to 3 percent each year for physicians who are *not* meaningful EHR users
- Also available to physicians of a qualified MA organization

Medicare Incentives for Physicians

- “Meaningful EHR users”
 - Physicians who demonstrate to HHS that they are using certified EHR technology in a meaningful manner
 - Use of electronic prescribing
 - Certified EHR technology is connected in a manner that provides for electronic exchange of health information to improve quality of health care
 - Submit information to HHS on clinical quality measures

Medicare Incentives for Physicians

	Adopt 2011	Adopt 2012	Adopt 2013	Adopt 2014	Adopt 2015+
2011	\$18K	--	--	--	--
2012	\$12K	\$18K	--	--	--
2013	\$8K	\$12K	\$15K	--	--
2014	\$4K	\$8K	\$12K	\$12K	--
2015	\$2K	\$4K	\$8K	\$8K	0
2016	\$0	\$2K	\$4K	\$4K	0
2017	\$0	\$0	\$0	\$0	0
TOTAL	\$44K	\$44K	\$39K	\$24K	0
Health shortage area	\$48,400 (Additional 10%)	\$48,400 (Additional 10%)	\$42,900 (Additional 10%)	\$26,400 (Additional 10%)	0

Medicare Incentives for Hospitals

- Commencing in FY11
- Compensate “meaningful EHR users” according to a formula
- Decreasing schedule each year
- Phase down for hospitals adopting after FY13
- Hospitals whose first payment year is after FY15 receive no incentive
- Adjustments, beginning in FY15, for hospitals that are *not* meaningful EHR users:
 - Market Basket Adjustment percentage reduced for non-critical access hospitals
 - Rate of payment for inpatient critical access hospital services reduced for critical access hospitals
- Also available to hospitals under common governance with qualified MA organization

Medicare Incentives for Hospitals

- “Meaningful EHR users”
 - Hospitals that demonstrate to HHS that they are using certified EHR technology in a meaningful manner
 - Certified EHR technology is connected in a manner that provides for electronic exchange of health information to improve quality of health care
 - Submit information to HHS on clinical quality measures
 - No e-prescribing requirement

Medicare Incentives for Hospitals

- Formula is Initial Amount *times* Medicare Share *times* Transition Factor
- “Initial Amount” is \$2M *plus*
 - \$200 for each discharge between the 1,150th to 23,000th discharge in a 12 month period
 - \$0 for first 1,149 discharges and \$0 for each discharge after 23,000

Medicare Incentives for Hospitals

- Medicare Share is a fraction:
 - Numerator equals: Inpatient-bed days attributable to Part A *plus* inpatient-bed days attributable to Part C
 - Denominator equals: Total number of inpatient-bed days *times* ((a) non-charity care charges *divided by* (b) total amount of charges)
- Critical Access Hospitals increase the Medicare Share by 20 percentage points, as long as Medicare Share does not exceed 100%.

Medicare Incentives for Hospitals

Transition Factor

	Adopt FY11	Adopt FY12	Adopt FY13	Adopt FY14	Adopt FY15	Adopt FY16+
FY11	1.0	--	--	--	--	--
FY12	.75	1.0	--	--	--	--
FY13	.5	.75	1.0	--	--	--
FY14	.25	.5	.75	.75	--	--
FY15	0	.25	.5	.5	.5	--
FY16	0	0	.25	.25	.25	0
FY17	0	0	0	0	0	0

Medicaid Incentives

- States may make payments to Medicaid providers to encourage adoption and use of certified EHR technology
- No duplicative Medicare and Medicaid payments
- Medicaid providers include:
 - Physicians, dentists, certified nurse midwives, nurse practitioners, physician assistants that are practicing in rural health clinics or federally qualified health centers that are led by PA
 - Children's and acute-care hospitals
- Requires a percentage of patient volume allocated to either individuals receiving medical assistance or to needy individuals

Medicaid Incentives

Category	Eligibility Criteria
Non-hospitals based pediatricians (“Medicaid Pediatricians”)	At least 20% of patient volume is attributable to individuals receiving medical assistance
Other non-hospital based providers	At least 30% of patient volume is attributable to individuals receiving medical assistance
Non-hospital based providers that practice predominantly in federally qualified health center or rural health clinic	At least 30% of patient volume is attributable to needy individuals (medical assistance, SCHIP assistance, uncompensated care and those charged based on a sliding scale per ability to pay)
Children’s hospitals	No requirement
Acute-Care hospitals	At least 10% of patient volume attributable to individuals receiving medical assistance

Medicaid Incentives

- Start of incentive payments not specified in legislative language; HIMSS believes 2011
- Must demonstrate “meaningful use” of certified EHR technology in second and subsequent years of incentives
 - Must be established by a means approved by the state and acceptable to HHS
 - Consistent with the definition used for Medicare incentives
- No reductions in Medicaid payments for failure to demonstrate “meaningful use”

Medicaid Incentives for Non-Hospital Based Providers

- Up to 85% of certain costs for certified EHR technology, subject to caps
- 1st year of payment capped at \$25,000
 - Costs for purchase and implementation or upgrade of EHR technology and support and training services,
 - Engaging in efforts to adopt, implement or upgrade a certified EHR technology, or
 - Investment was made prior to beginning of funding period with demonstration of “meaningful use” of certified EHR technology
- Subsequent years of payment, capped at \$10,000 per year, for costs relating to the operation, maintenance and use of certified EHR technology

Medicaid Incentives for Non-Hospital Based Providers

- First year costs must not be later than 2016
- No payments made after 2021 or for more than 5 years (Maximum incentive will be \$65,000)
- Medicaid Pediatricians are eligible for 2/3 the amount otherwise specified

Medicaid Incentives for Hospitals

- Hospitals that adopt in 2017 or later are not eligible for any incentives
- Incentives limited to 6 years
- Incentives equal the product of the overall Hospital EHR Amount and the Medicaid Share for such provider (“Medicaid Incentive”)
- In any year, the total amount shall not exceed 50% of the Medicaid Incentive and in any 2 year period, the total amount shall not exceed 90% of the Medicaid Incentive

Medicaid Incentives for Hospitals

- Overall “Hospital EHR Amount” is the sum of the applicable Medicare amounts for such provider for the first 4 payment years:
 - Determined as if the Medicare Share were 1 and
 - Assuming that discharge rates will increase each year at the average annual rate of growth based upon the past 3 years
- “Medicaid Share” shall be calculated in the same manner as the Medicare Share except using the number of inpatient-bed days attributable to individuals who are receiving medical assistance instead of Medicare

HIMSS

transforming healthcare through IT

architects of change

Stimulus Grants for Health Information Technology



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empowering communities

Michael Paddock, CEO

Stimulus Grants for HIT

- Rural Telemedicine and Broadband
- Broadband Technology Opportunities Program
- Indian Health Service Funding
- Construction, Renovation, and Equipment for Health Centers
- Comparative Effectiveness Research Funding
- HIE/Regional Grants
- ONCHIT – *New Series of Grant Programs*



Sources of Funding

Within HHS

- Indian Health Service IHS
- Agency for Healthcare Research and Quality AHRQ
- National Institutes of Health NIH
- Office of the National Coordinator ONC

Outside HHS

- National Institute of Standards and Technology NIST
- Department of Agriculture
- Department of Commerce

Rural Telemedicine and Broadband

- \$2,500,000,000 for distance learning, telemedicine, and broadband programs
- Rural areas
- Multi-purpose
- May result in multiple grants
 - Distance Learning and Telemedicine (RUS DLT)
 - Community Connect (CC)



Broadband Technology Opportunities Program

- \$4,350,000,000 for broadband in underserved areas
- \$200,000,000 for expanding public computing center capacity at community colleges and libraries
- \$250,000,000 for innovative programs to encourage sustainable adoption of broadband service
- Rewards Innovation
- Pushes funds to “underserved” areas
- Reinvigorates the TOP



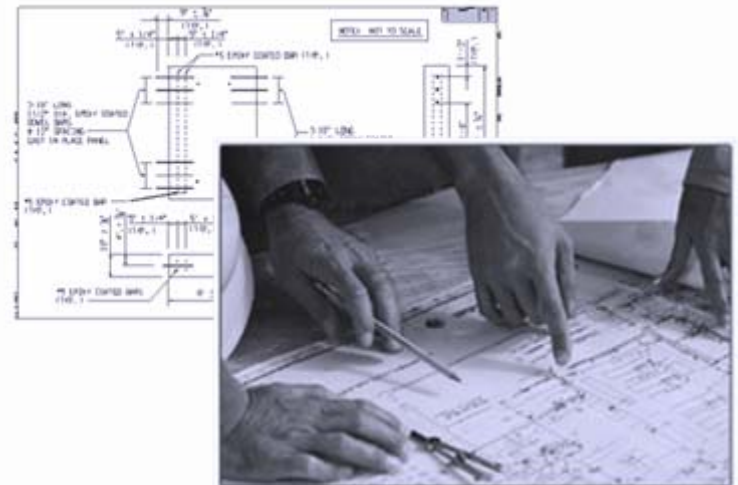
Indian Health Service Funding

- \$85,000,000 for HIT in Indian Health Facilities
- Typically funded through Indian Health Facilities Grants
- Telehealth services and related infrastructure requirements



Construction, Renovation, and Equipment for Health Centers

- \$1,500,000,000 for health centers who receive grants under Section 330 of the Public Health Service Act
- Medically underserved
- Special populations
 - Migrant farm workers
 - Homeless
 - Residents of Public Housing



Comparative Effectiveness Research Funding

- \$300,000,000 for AHRQ Grants
- \$400,000,000 for NIH Grants
- \$400,000,000 for discretionary HHS Grants
- Focus on results that can be replicated and extended
- Documentation and evaluation will be significant

Health Information Exchange Regional Grants

- \$300,000,000 for regional efforts toward health information exchange
- Regional Health Information Organizations
- Health Information Exchanges
- Regional approach



Other ONCHIT Programs

\$2,000,000,000 for a range of activities and programs, including:

National HIT architecture

Development and adoption of EHRs

Best practices training and information

Telemedicine infrastructure and tools

Promoting interoperability of clinical data repositories

Best practices to protect information

Expanding HIT in public health departments

An HIT Research Center and extension program

State grants to promote HIT

Loan programs to facilitate adoption of EHR technology

Rules and timelines still emerging

Some matching will be required

Combination of competitive and formula funds



HIMSS Grants Advantage

- Online Knowledge Base
- Weekly report suites
- Help Desk Support
- Monthly webinars
- Moderated listserv
- SharePoint portal
- Discount on grantwriting

The screenshot displays the HIMSS Grants Advantage web application interface. It features a navigation menu with options like PROFILE, BROWSE, REPORTS, HELP DESK, and SEARCH. The main content area is divided into several sections:

- Grants Manager:** Includes a search bar and a "Research Report (0)" section with options to "Add Grant", "Remove Grant", and "View Watch List".
- Recent Grants:** A section for viewing recent grants, with a "Logout" link.
- User Usage:** A section for tracking user usage, with a "Logout" link.
- Watch List:** A section for managing a watch list, showing 8 records found. It includes a table with columns for Deadline(s), Status, Date, Amount, and Date Added. The table lists three grants: "High Impact Electronic Health Record Implementation", "Distance Learning & Telemedicine Program (DLT)", and "Community Facilities Grant Program".

At the bottom of the interface, there is a "POWERED BY:" section with the logo for "GRANTS OFFICE".

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Resources

- One-stop shop on the ARRA
himss.org/EconomicStimulus
- Summary
himss.org/content/files/HIMSSSummaryOfARRA.pdf
- Analysis
himss.org/EconomicStimulus
- FAQs
himss.org/EconomicStimulus/docs/HIMSS_FAQs_ARRA.pdf
- HIMSS09 Sessions on ARRA
himssconference.org/education/ESPSSessions.aspx
- HIMSS P&S Toolkit
<http://www.himss.org/ASP/privacySecurityTree.asp?faid=78&tid=4>

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