

Medicaid funding route incentives and requirements

- Providers must have a 30% Medicaid caseload (20% for pediatricians, who are eligible for 2/3 of the reimbursement amounts).
- Physicians can receive up to \$21,250 the first year to offset the cost of installing a certified EHR system, and up to \$8,500 per year for five more years to support “meaningful use” of the technology. Total reimbursements cannot exceed \$63,750 per physician.
- Providers can begin the process as late as 2016.
- Medicaid payments are not reduced if a provider does not adopt certified EHR technology.
- Providers include physicians, dentists, nurse midwives, nurse practitioners, physician assistants in rural health clinics or federally qualified health centers led by a PA, children’s hospitals and acute-care hospitals.

Reimbursement Payment Structure for Medicaid Providers						
	First calendar year in which the provider receives a reimbursement payment					
Calendar Year	CY 2011	CY 2012	CY 2013	CY 2014	CY 2015	CY 2016
2011	\$21,250					
2012	\$8,500	\$21,250				
2013	\$8,500	\$8,500	\$21,500			
2014	\$8,500	\$8,500	\$8,500	\$21,250		
2015	\$8,500	\$8,500	\$8,500	\$8,500	\$21,250	
2016	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500	\$21,250
2017		\$8,500	\$8,500	\$8,500	\$8,500	\$8,500
2018			\$8,500	\$8,500	\$8,500	\$8,500
2019				\$8,500	\$8,500	\$8,500
2020					\$8,500	\$8,500
2021						\$8,500
Total	\$63,750	\$63,750	\$63,750	\$63,750	\$63,750	\$63,750

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- Incentives start in calendar year 2011 and end in 2015.
- Physicians may receive payments up to \$44,000 over five years if EHR usage begins by 2012.
- Bonus payments are based on 75% of Medicare claims, subject to caps (providers billing at least \$24,000 to Medicare would claim the maximum \$18,000 bonus); health care providers in “provider shortage areas” can receive a 10% increase over their eligible amount.
- Medicare will begin reducing claims reimbursements in 2015 for physicians who are not certified meaningful users of EHRs. The reduction will be 1% in 2015, 2% in 2016 and 3% in 2017 and beyond.

MEDICARE PHYSICIAN EHR INCENTIVES:								
	2011	2012	2013	2014	2015	2016	2017	TOTAL
Adopt 2011 or before	\$18,000	\$12,000	\$8,000	\$4,000	\$2,000	\$0	\$0	\$44,000
Adopt 2012	-----	\$18,000	\$12,000	\$8,000	\$4,000	\$2,000	\$0	\$44,000
Adopt 2013	-----	-----	\$15,000	\$12,000	\$8,000	\$4,000	\$0	\$39,000
Adopt 2014	-----	-----	-----	\$12,000	\$8,000	\$4,000	\$0	\$24,000
Adopt 2015	-----	-----	-----	-----	\$0	\$0	\$0	\$0

Funding Route Comparison

	Medicare	Medicaid
Eligibility linked with threshold patient volumes?	No minimum Medicare patient volume required to qualify for Medicare incentives.	Yes. At least 30% of a physician's caseload (20% for pediatricians) must be Medicaid patients.
Meaningful use required?	Yes. Physicians must purchase or lease the EHR system, integrate it into their practice and be "meaningfully" using it before they receive any money.	Physicians can receive up to \$25,000 in year-one Medicaid incentive payments to help offset some of the cost of acquiring the technology.
Year 1 maximum incentive payment	\$18,000	\$21,250
Additional incentives	\$12,000, \$8,000, \$4,000 and \$2,000 for the next four years for those first receiving incentive payments in 2011	Up to \$8,500 annually for five additional years to support the meaningful use of EHRs.
Maximum incentives	Maximum reimbursement of \$44,000 over a period of five years (\$48,400 in HPSA)	Reimbursement of up to 85% of allowable EHR costs not to exceed a cumulative total of \$63,750 per provider over six years.
Starting year	2011	2011
Latest start date to maximize incentives	2012	2016
Incentive expiration	No Medicare incentive for those who begin meaningfully using an EHR after 2014; last payment made in 2016	No Medicaid incentive payment to be made after 2021 or for more than 5 years
Additional incentive for HPSA	10% additional	None
Linked to allowed charges?	Yes - \$24,000 in Medicare allowed charges (75% of \$24,000 = \$18,000) required to maximize reimbursement	No - Medicaid incentive payment not linked to allowed charges.
Penalties for not becoming a meaningful user of an EHR?	Begins to cut payments to doctors in 2015	No such punitive cuts