

# TENNESSEE

## Office of eHealth Initiatives

### FREQUENTLY ASKED QUESTIONS ON HITECH INCENTIVES FOR HOSPITALS AND HEALTH PROFESSIONALS UNDER MEDICAID

#### Medicaid Payment Incentives under the federal HITECH Act

##### **What does the HITECH Act cover with regard to Medicaid?**

The Act amends Title XIX to allow for new Medicaid incentive payments to certain providers with high Medicaid volumes to cover the providers' costs for acquiring, using and maintaining certified Electronic Health Record (EHR) technology.

##### **What health care providers are eligible for Medicaid incentives under the HITECH Act?**

Children's Hospitals	All	+ Meaningful Use
Acute Care Hospitals	10% or greater Medicaid	
Federally Qualified Health Centers	30% or greater Medicaid	
Rural Health Clinics	30% or greater Medicaid	
Non-hospital Based Professionals	30% or greater Medicaid	
Non-hospital Based Pediatricians	20% or greater Medicaid	

##### **What non-hospital based professionals are included?**

- Physicians
- Dentists
- Certified Nurse Midwives
- Nurse Practitioners
- Physician Assistants practicing in Federally-Qualified Health Centers or Rural Health Clinics

##### **What is meaningful use and who determines it?**

There are three base requirements for meaningful use identified in the Act, including:

- Use of certified or qualified EHR technology
- Electronic exchange of health information including e-prescribing and lab data
- Use of EHR in reporting on clinical and other quality measures

Federal law gives states some leeway for determining the definition of meaningful use for the purpose of determining eligibility for Medicaid incentives. In Tennessee, the Health Information Partnership for Tennessee (HIP TN), the Office of e-Health Initiatives and the Bureau of TennCare will collectively lead the process to define meaningful use and to meet Tennessee and federal priorities.

### **How much money can an eligible provider expect to receive in Medicaid incentive payments?**

The new Medicaid payments can cover up to 85 percent of the providers' costs based on federally-determined net average allowable costs of an EHR system including staff training and support for health information exchange. Payments will be made over a five year period, after the first year of meaningful use guidelines having been met by the physician.

### **Are there other limits on the Medicaid payments?**

Yes, payments are for the average allowable costs for acquiring and maintaining the EHR systems. The federal law states the average allowable costs may not exceed \$25,000 in the first year or \$10,000 in any subsequent year. Additionally, payments may not exceed 50 percent of the total costs incurred by the provider in any one year or more than 90 percent in any two year period. Payment limits for pediatricians are two-thirds of the payment limits for other providers.

### **When will the Medicaid incentive payments begin?**

The specific date is unknown at this time. The Centers for Medicare and Medicaid Services are expected to release further information in the near future. Please continue to watch for updates from HIP TN, the Office of e-Health initiatives, and the Bureau of TennCare.

### **Are the Medicaid incentive payments time limited?**

Medicaid incentive payments are time-limited. No payments may be made beyond 2015. Additionally, no provider may receive these payments for more than five years.

### **Can these payments be combined with other HIT payments to providers?**

Yes, in some instances. The American Recovery and Reinvestment Act (ARRA) also provides for EHR incentive payments to providers through Medicare. The Secretary at the U.S. Department of Health and Human Services (HHS) is responsible for ensuring that the Medicaid and Medicare EHR incentive payments are coordinated. Additionally, the HHS Secretary must ensure that the Medicare and Medicaid incentive payments do not duplicate other HIT incentive payments a provider may receive from other sources.

### **What are some of the state costs incurred in implementing the payments?**

The state will have to cover 10 percent of the costs of administering the program. Those costs will include but are not limited to:

- Developing a protocol to determine which providers are eligible for the payments
- Verifying providers meet the Medicaid patient volume thresholds
- Ensuring providers acquire EHR systems that meet the criteria for certified EHR systems
- Ensuring providers use the systems in a meaningful manner
- Developing a protocol to determine, report and verify providers' costs for acquiring and maintaining the EHR systems.
- Meeting whatever requirement the HHS Secretary develops to coordinate the Medicaid and Medicare incentive payments and to ensure that payments are not duplicated
- Costs for modifications to systems necessary to make the payments to providers

### **Are there specific requirements states must meet to access the funds?**

Yes, states must demonstrate to the HHS Secretary that the state is tracking providers' use of EHR technology, conducting adequate oversight of the program and pursuing initiatives to encourage the adoption of certified EHR technology to promote health care quality.

