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Below is an article that Billing Buddies has found extremely helpful. It reviews important issues the Stimulus Package that can help cover the cost of EHR. Please call with any questions.

Frequently Asked Questions (FAQ): Healthcare IT Incentives

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.

While the specific rules for administering this program are still in development, we do know that the program will operate much like the CMS/Medicare incentives now in place for E-Prescribing. Similarly, Physicians must use a "certified" EHR, and will have to show "meaningful use" of that EHR software on an on-going basis through yet-to-be-established reporting procedures.

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

What it is not.

Contrary to what some news stories have implied and what some physicians may have concluded, **Doctors will not be sent checks for \$40,000 to \$50,000 to go shop for an EHR.**

How Can Doctors Get Paid Under ARRA?

Details are not yet fully available, but at a minimum, physicians will need to use a "certified" EHR and use it in a specified way that will most likely include regular reporting and the exchange of health data with other providers. Based on meeting those requirements, doctors would receive a bonus or incentive payment from CMS at the beginning of the year following participation.

So if a provider fully complies with the requirements in 2010 (the first year possible) they will get paid at the beginning of 2011.

How Much Can Physicians Get Paid?

Payments can be substantial if a physician fully participates in the program, starting at \$18,000 in 2011 (for participation in year 2010) and over \$40,000 over the life of the program.

The table below details total potential payments to physicians under the program.

Payment Year	Incentive
First Payment Year	<ul style="list-style-type: none"> ✦ \$18,000 if the first payment year is 2011 or 2012 ✦ \$15,000 if the first payment year is 2013 ✦ \$12,000 if the first payment year is 2014
Second Payment Year	\$12,000
Third Payment Year	\$8,000
Fourth Payment Year	\$4,000
Fifth Payment Year	\$2,000
*for providers in a health professional shortage area (HPSA) , payment amounts will be increased by 10%	

When Can Physicians Get Paid?

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

What Products Are (Or Will Be) Certified?

ARRA does not specify what certification criteria will be used, nor does it specify the organization that will set the criteria and test EHR vendors for compliance. It does specify that the criteria must be announced no later than December 31, 2009.

According to analysis from HIMSS (Healthcare Information Management Systems Society) and other experts, the criteria will be announced much earlier than that and the responsible certification entity will most likely be the CCHIT (Certification Commission for Health Information Technology). This organization is already under contract to the Department of Health and Human Services and has a track record of establishing criteria for EHR standards, and certifying products under those standards.

Will Spring Charts Be Certified?

Yes. Spring Medical is very involved in the EHRA (Electronic Health Records Association) and other industry organizations that will be the first to know the specific certification requirements and rules when they are available. And our highest development priority is to ensure that Spring Charts is fully compliant when the incentives program is implemented.

Why Physicians should buy now.

The benefits that physicians can realize in their practice though 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, doctors who do not use an EHR make less money each and every year they put off the move to electronic health records.

The government incentives shouldn't affect this equation in the short term with the exception that by adopting an EHR now, physicians and their practices can be assured that they will be ready with "meaningful use" of an EHR when 2010 rolls around and the program kicks into gear.

Looking long term, practices that implement now will beat the rush at the end of 2009, as doctors scramble to implement. 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 in the 1-10 doctor range with only 4% using EHRs in a "meaningful way". If a practice doesn't implement in the next 12 months, they will not be eligible for the first year payments.

Additional Info:

<http://www.himss.org/content/files/HIMSSSummaryOfARRA.pdf>