

# AMA-RFS Issue Brief

## Medicare and Medicaid EHR Incentive Program

### BACKGROUND

The American Recovery and Reinvestment Act (ARRA) which was signed into law in February 2009, provided over \$19 billion towards helping physicians adopt and use electronic health records (EHRs). When implemented properly in a highly connected environment, widespread EHR adoption and use will transform the practice of medicine and provide physicians with a powerful tool by putting real-time, clinically relevant patient information and up-to-date clinical decision support tools in practitioners' hands at the point of care.

### ISSUES

For many physicians in small practices, the cost of an EHR has been out of reach. Although the ARRA makes Medicare and Medicaid incentives available for eligible physicians who successfully demonstrate meaningful use of EHR technology, there are multiple "meaningful use" criteria for Stage 1 of the program that must be met for physicians to qualify. Officials have identified 25 meaningful use objectives and measures including a core of 15 that physicians must meet. Physicians must select and meet an additional 5 measures from a menu set of options. Not all measures have exceptions for when they may not be clinically relevant for a patient's particular service or treatment. In addition, the usability and accuracy of using EHRs to capture all of the clinical quality measures has not been fully tested. The Stage 1 program requirements will likely make adoption challenging for many practices, especially smaller ones, that have not yet purchased and implemented EHR technology. To be eligible for a Medicare or Medicaid bonus in 2011, physicians will need to meet a total of 20 EHR measures. Missing one measure can mean the loss of as much as \$18,000 in Medicare bonuses in 2011 or 2012. No appeals process exists in the law or the regulations for physicians to use to challenge rulings that adversely affect their ability to get incentives.

Physicians are also dealing with a tight deadline for EHR adoption. Physicians who have already adopted EHR systems may not find out until the fall of 2011 whether their EHRs will be recognized as certified (falling within the scope of "meaningful use"). Moreover, penalties for physicians who are eligible for Medicare EHR incentives but fail to purchase and meaningfully use certified EHR technology will begin in 2015.

### THE AMA'S POSITION

The American Medical Association (AMA) commented earlier this year on the Stage 1 EHR meaningful use incentive program requirements. The AMA raised concerns about the regulations, stating that the Stage 1 plan asked physicians to do too much too quickly. The AMA will continue to advocate for improvements to the program, including the establishment of: (1) a formal, transparent testing process devised by CMS, with input from measure developers, to assure that certified EHRs can calculate sufficient clinical quality measures; (2) an appeals process so that physicians can appeal decisions that affect their eligibility to take part in the Medicare EHR incentive program or that affect their ability to receive EHR incentives; and (3) a transparent evaluation process for determining EHR vendor readiness and how the program and EHR adoption and use rates are progressing, including what percentage of eligible physicians have adopted an EHR and are able to successfully meet each objective and measure.

## WHAT YOU CAN DO

- Communicate concerns about the Stage 1 EHR meaningful use incentive program to your Congressional representatives
- Get involved with the AMA-RFS Legislative Advocacy Committee and join the RFS listserv
- Donate to AMPAC and support candidates who are working to address the challenges faced by physicians who have adopted EHRs
- Visit the AMA-RFS home page for more information: <http://www.ama-assn.org/ama/rfs>

## References

(1) Goldstein, J. "Big Challenges Await Health-Records Transition" *Wall Street Journal*. April 21<sup>st</sup>, 2009.

(2) Department of Health and Human Services.

[http://healthit.hhs.gov/portal/server.pt?CommunityID=2998&spaceID=42&parentname=&control=SetCommunity&parentid=&in\\_hi\\_userid=12059&PageID=0&space=CommunityPage](http://healthit.hhs.gov/portal/server.pt?CommunityID=2998&spaceID=42&parentname=&control=SetCommunity&parentid=&in_hi_userid=12059&PageID=0&space=CommunityPage).

(3) Silva, Chris. "Meaningful use" final rule offers some flexibility. Amednews Posted July 19, 2010.

<http://www.ama-assn.org/amednews/2010/07/19/gv120719.htm>

(4) EMR challenge: Tough road to reach "meaningful use" Amednews Editorial. Posted Aug. 16, 2010.

<http://www.ama-assn.org/amednews/2010/08/16/edsa0816.htm>