

# 2017 Medicare Electronic Health Record (EHR) Incentive Program Payment Adjustment Fact Sheet for Eligible Professionals

## Overview of the Program

As part of the American Recovery and Reinvestment Act of 2009 (ARRA), Congress established payment adjustments under Medicare for eligible professionals that are not meaningful users of Certified Electronic Health Record (EHR) Technology. Eligible professional (EP) that do not successfully demonstrate meaningful use for an EHR reporting period associated with a payment adjustment year will receive reduced Medicare payments for that year. The Medicare payment adjustments began on January 1, 2015 for EP and sunset in 2018 per the Medicare Access and CHIP Reauthorization Act of 2015 (MACRA).

If an EP is eligible to participate in the Medicare EHR Incentive Program, they must successfully demonstrate meaningful use in either the Medicare EHR Incentive Program or in the Medicaid EHR Incentive Program, to avoid a Medicare payment adjustment. Medicaid EP who do not furnish covered professional services under Medicare are not subject to these payment adjustments. Since 2011, more than 400,000 EPs have received incentive payments under the Medicare and Medicaid EHR Incentive Program.

### **EHR Incentive Payments for Eligible Professionals**

EP may receive incentive payments under Medicare for up to 5 consecutive years throughout the duration of the program. The program started in 2011, and payments will continue under Medicare through 2016 with no Medicare incentive payments authorized after the calendar year 2016.

An EP demonstrates meaningful use by successfully attesting through either the CMS Medicare EHR Incentive Programs Attestation System (<https://ehrincentives.cms.gov>) or through its state's Medicaid EHR Incentive Program attestation system.

EP payment information can be found here: <https://www.cms.gov/EHRIncentivePrograms>

### **CY 2017 EHR Eligible Professional Payment Adjustment**

The EHR Incentive Program downward payment adjustment began to apply to Medicare Physician Fee Schedule (MPFS) payments for covered professional services furnished January 1, 2015 through December 31, 2015. The payment adjustment amount is established by statute for a specific calendar year (e.g., an EP that did not successfully demonstrate meaningful use for an applicable EHR reporting period in 2015 will receive a reduction in their MPFS payments for covered professional services in CY 2017). The table below illustrates the application of the reduced MPFS amount.

### **Payment Adjustment Background**

- The program started in 2011, and incentive payments will continue under Medicare through 2016. EPs may receive EHR incentive payments under Medicare for up to 5 consecutive years throughout the duration of the program.

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- The last year to begin participation and receive an incentive payment under Medicare was 2014. To receive the maximum total amount of incentive payments, EP must have started participation by 2012. EP who demonstrate meaningful use of certified EHR technology can receive up to \$43,720 under Medicare over 5 consecutive years.
- To qualify for incentive payments under Medicare, EP must successfully demonstrate meaningful use for an applicable EHR reporting period for each payment year of the program.
- Beginning in 2015, EP who do not successfully demonstrate meaningful use will be subject to a downward adjustment to MPFS payments for covered professional services

### **EPs who are not meaningful EHR users –**

EP who received the e-prescribing downward adjustment under section 1848(a)(5) of the Social Security Act (the Act) in 2014 and are subject to the EHR downward adjustment under 1848(a)(7) of the Act in 2015 will receive an additional 1.0% EHR downward adjustment for 2015 only. This will result in those EP receiving 98% of the MPFS amount that would otherwise apply to such services during 2015.

<b>EP is not subject to the payment adjustment for e-prescribing in 2014</b>	2015	2016	2017	2018
% Decrease of the MPFS amount	99%	98%	97%	97%

<b>EP is subject to the payment adjustment for e-prescribing in 2014</b>	2015	2016	2017	2018
% Decrease of the MPFS amount	98%	98%	97%	97%

### **CY 2017 EHR Exceptions Process for EPs**

EP may apply for significant hardship exceptions to avoid the payment adjustments described above. Such exceptions are granted for certain categories of EP, under Patient Access and Medicare Protection Act (PAMPA) or on a case-by-case basis, and only if CMS determines that compliance with the requirement for an EP to be a meaningful EHR user would result in a significant hardship.

Information on how to apply for a hardship exception is posted on the CMS EHR Incentive Programs website ([https://www.cms.gov/Regulations-and-Guidance/Legislation/EHRIncentivePrograms/PaymentAdj\\_Hardship.html](https://www.cms.gov/Regulations-and-Guidance/Legislation/EHRIncentivePrograms/PaymentAdj_Hardship.html)). Applications must be submitted no later than July 1<sup>st</sup> of the year before the applicable payment adjustment year. For example, for the 2017 payment adjustment, EP must submit a hardship exception application by July 1<sup>st</sup>, 2016.

### **Applicable hardship exceptions categories for EPs:**

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- **Infrastructure** – EP must demonstrate that they are in an area without sufficient internet access or face insurmountable barriers to obtaining infrastructure (e.g., lack of broadband or high cost build out for internet for facility).
- **Extreme and Uncontrollable Circumstances** – Examples may include a natural disaster or other unforeseeable barriers such as the issues some EP faced with implementing 2014 edition CEHRT or switching CEHRT products during the year.
- For EPs practicing in multiple locations: Lack of control over the availability of Certified EHR Technology at their practice location.
- **By Specialist**– EP must demonstrate that they meet the following criteria:
  - Lack of face-to-face or telemedicine interaction with patients
  - Lack of follow-up need with patients

Anesthesiologists, pathologists, and radiologists may receive hardship exceptions without applying based on their primary specialty as listed in the Provider Enrollment Chain and Ownership System (PECOS) six months prior to the first day of the year in which the payment adjustment would otherwise apply.

## **CY 2017 EHR Incentive Program and Payment Adjustments**

EP must demonstrate meaningful use every year according to the timelines detailed above in order to avoid Medicare negative payment adjustments. For example, an EP that demonstrates meaningful use for the first time in 2013 will avoid the payment adjustment in CY 2015, but will need to demonstrate meaningful use again in 2015 in order to avoid the payment adjustment in CY2017 and so on.

There are about **171,000** Medicare EPs subject to a downward payment adjustment in 2017 under Medicare for failing to demonstrate meaningful use

**For more information on the Medicare and Medicaid EHR Incentive Program please visit:**

<https://www.cms.gov/EHRIncentivePrograms>

## **2017 Performance Period and the Merit-based Incentive Payment System (MIPS) replacing EHR, PQRS and VBM programs**

The Medicare Access and CHIP Reauthorization Act of 2015 (MACRA) combines certain aspects of the existing Medicare EHR Incentive Program (EHR), Physician Quality Reporting System (PQRS), and Value-Based Payment Modifier (VBM) programs into the Merit-based Incentive Payment System (MIPS), starting with the CY 2017 MIPS performance period. MIPS [payment](#) adjustments are applied to Medicare Part B payments for items and services furnished two years after the performance period, with CY 2019 being the payment adjustment year for the CY 2017 performance period.

MIPS includes four categories of [eligible clinician](#) performance categories, contributing to a MIPS final score of up to 100 points (relative weights are indicated for the CY 2017 performance period and associated CY 2019 payment adjustment year):

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- Quality (60%)
- Advancing Care Information (renamed from Meaningful Use) (25%)
- Improvement Activities (15%)
- Cost (0%)

Beginning with reporting periods in 2017 for the 2019 payment year, EHR Incentive Program Medicare EP will no longer report to the EHR Incentive Program while Medicaid EP will continue to attest to their state to earn an incentive payment. These EPs will instead report to MIPS, and be subject to the program requirements and payment system of that program. However, EPs who first demonstrate meaningful use in 2017 must demonstrate meaningful use for a 90-day reporting period in 2017 to avoid payment adjustments in 2018. This reporting period must occur in the first 9 months of calendar year 2017, and EP must attest to meaningful use no later than October 1, 2017, in order to avoid the payment adjustments in calendar year 2018.

The Department of Health & Human Services (HHS) recently issued the Quality Payment Program Final Rule, following a months-long listening tour with nearly 100,000 attendees and nearly 4,000 public comments. Based on this feedback, HHS modified the proposed rule, including reweighting of performance categories and a pick-your-pace participation in the first year to promote successful participation. For more information on MIPS, visit: <http://qpp.cms.gov>