"The Basics"
Frequently Asked Questions on Meaningful Use and the American Recovery & Reinvestment Act of 2009

January 21, 2010

THE BASICS

Q: What is ARRA?
A: The American Recovery & Reinvestment Act of 2009, signed into law by President Obama in February, 2009. The ARRA aims to stimulate the economy through investments in infrastructure, unemployment benefits, transportation, education, and healthcare. It includes over $20 billion to aid in the development of a robust IT infrastructure for healthcare and to assist providers and other entities in adopting and using health IT. You can read a summary of the health IT components of the law at the HIMSS website.

Q: What is HITECH?
A: The health IT sections of the ARRA law go under the acronym "HITECH".

Q: What is the purpose of the Law?
A: Congress designed the legislation to improve US healthcare through the development of a solid health information infrastructure, while simultaneously stimulating the economy through new investment and job growth. Specifically, there are five broad goals: (a) improve quality, safety, efficiency, and reduce health disparities; (b) engage patients and families; (c) improve care coordination; (d) ensure adequate privacy & security protections for personal health information; and, (e) improve population and public health.

Q: How does the government plan to accomplish this purpose?
A: By investing billions of dollars into IT infrastructure, incentive programs, and grants, and loans for hospitals and clinical practices to adopt and meaningfully use of health IT.

Q: What are CMS and ONC?
A: Both the Centers for Medicare & Medicaid Services and the Office for the National Coordinator of Health IT are agencies within the Department of Health & Human Services (HHS). These two agencies are responsible for the bulk of the ARRA funding available to health IT. CMS administers Medicare and works in partnership with States to administer Medicaid, the State Children's Health Insurance Program (SCHIP), and health insurance portability standards. ONC, established under Executive Order from President George W. Bush, and codified via ARRA, serves as a resource to the entire US healthcare system to support the adoption of health IT and the promotion of nationwide health information exchange to improve health care.

Q: What is an EHR?
A: The acronym stands for Electronic Health Records. The EHR is software, which as defined by HIMSS, is a longitudinal electronic record of patient health information generated by one or more encounters in any care delivery setting. Included in this information are patient demographics, progress notes, problems, medications, vital signs, past medical history, immunizations, laboratory data and radiology reports. The EHR automates and streamlines the clinician's workflow. The EHR has the ability to generate a complete record of a clinical patient encounter - as well as supporting other care-related activities directly or indirectly via interface - including evidence-based decision support, quality management, and outcomes reporting.

Q: What is meaningful use?
A: Meaningful use of certified EHR technologies is a term used in the ARRA. It is clearly defined by CMS in a "Notice of Proposed Rulemaking" (NPRM) as the use of health IT to further the five broad goals of the ARRA (as noted in the above "purpose"-related Q&A), and to further the goal of information exchange among health professionals. There is also an interim final rule (IFR) published by ONC regarding an initial set of standards, implementation specifications, and certification criteria for EHRs.

Q: What is a certified EHR technology?
A: Also a term created in the ARRA, it means a qualified EHR that has been properly certified as meeting the standards adopted under section 3004 of the Public Health Service Act. There are specific definitions of a "qualified EHR" and specific requirements an EHR technology must meet in order to be certified. Please visit the HIMSS website for further information.

Q: What does meaningful use of certified EHR technologies mean to healthcare providers?
A: Providers can earn a Medicare or Medicaid incentive payment(s) by demonstrating meaningful use of a certified EHR technology. CMS's NPRM clearly defines that functionality. You can learn more by reading through the summaries and in-depth FAQs on the HIMSS website.

Q: What's an Eligible Professional?
A: As per the CMS NPRM, it is one of five types of professionals legally authorized to practice their profession under state law and are **not** hospital-based: a doctor of medicine or osteopathy, a doctor of dental surgery or dental medicine, a doctor of podiatric medicine, a doctor of optometry, or a chiropractor. As this is a very complex discussion, much more detailed information available on this point in other FAQs on the HIMSS website.

Q: When must certified EHRs be implemented and meaningfully used?
A: The Medicare and Medicaid EHR Incentive Program begins October 1, 2010 for hospitals and January 1, 2011 for eligible professionals. Beginning October 1, 2014 (for hospitals) or January 1, 2015 (for eligible professionals) any hospital or eligible professional that bills Medicare or Medicaid for services rendered – but cannot demonstrate meaningful use of certified EHR technology – will receive less than 100% of the fee schedule. CMS has defined specific penalties beginning on page 220 in the NPRM. As this is a very complex discussion, much more detailed information available on this point in other topical reviews on the HIMSS website.

COSTS & INCENTIVES

Q: How much is available in the Medicare and Medicaid EHR Incentive Program?
A: According to CMS's NPRM: "Overall, we expect spending under the EHR incentive program for transfer payments to Medicare and Medicaid providers to be between $14 and $27 billion over 10 years (these estimates include net payment adjustments for providers who do not achieve meaningful use in 2015 and beyond in the amount of -$2.3 billion to -$5.1 billion). We have also estimated "per entity" costs for EPs and eligible hospitals, which aggregate to total spending. We estimate also that adopting entities will achieve dollar savings at least equal to their total costs, and that there will be additional benefits to society whose magnitude is uncertain, but will certainly be many billions of dollars over time."

Q: What will it cost me to implement a certified EHR technology?
A: In the NPRM, CMS estimates that the average cost for an eligible professional to adopt/implement/upgrade a certified EHR technology is $54,000 per physician FTE (full-time equivalent). Plus, CMS estimates that annual maintenance costs average $10,000 per physician FTE per year. For eligible hospitals, CMS estimates the range to be between $1 million and $5 million for installation and $1 million annually for maintenance, upgrades, and training.

Q: How much will I be reimbursed?
A: Eligible professionals can earn up to a maximum of $44,000 over a five-year period – if meaningful use can be demonstrated in either 2011 or 2012. The amount lessens between 2013 and 2014. There is no maximum limit that eligible hospitals can earn through the incentive program period.

Q: How and when will I be reimbursed?
A: The NPRM states: "We propose to make a single, consolidated, annual incentive payment to EPs after ascertaining that an EP has demonstrated meaningful use for the applicable reporting period and reached the threshold for maximum payment. CMS believes this method will pose the least administrative burden." Further, the NPRM reads: "The Fiscal Intermediaries/Medicare Administrative Contractor (MAC) will calculate incentive payments for qualifying eligible hospitals and will disburse payments on an interim basis once the hospital has demonstrated it is a meaningful user for the EHR reporting period for the payment year."

EDUCATION

Q: Where can I find a web page for comprehensive health IT information related to the ARRA and Meaningful Use?
A: The HIMSS website.

Q: Where can I find the actual language for the law and the rules?
A: You can access the ARRA through thomas.gov. Both the NPRM for the Medicare and Medicaid EHR Incentive Program, and the IFR on the Initial Set of Standards Implementation Specifications, and Certification Criteria for EHR Technology are online.

Q: What education is going to be offered at HIMSS10 concerning Meaningful Use?
A: We offer a significant focus on meaningful use, certification, and implementation specifications at HIMSS10. We've created a special landing page so that visitors can review all the opportunities.

Q: What other educational opportunities can I access?
A: Audio-synched-with-Powerpoint presentations from two multi-part HIMSS webinar series on both ARRA and meaningful use are available at no charge to HIMSS members. The slides only (no audio) are available to all. There is also a wealth of Distance Education courses and sessions on ARRA and meaningful use through the HIMSS eLearning Academy.

INFORMATION

Q: If the law was signed by the President in February, 2009, what's all the excitement around these proposed rules published in the Federal Register in January, 2010?
A: Creating legislation is the purview of the Congressional branch of our federal government. Once signed into law by the President, the Federal branch is tasked with, in part, the responsibility of putting laws into action. Almost invariably, laws require rules that all must follow to ensure compliance with the law. The Federal branch promulgates such rules through a well-established rule-making process.

Q: How does the rule-making process work?
A: For ARRA, ONC and CMS hosted a series of opportunities for the public to inform the development of the proposed rules. Taking all that input, and combining it with expertise within the government, CMS and ONC announced the release of the NPRM and IFR respectively. Each has a public comment period followed by an internal review and edit, resulting – we think in late spring 2010 – of final rules. These final rules are the legal guidance all must follow to be in compliance.

Q: What's the difference between a "Notice of Proposed Rule-Making" and an "Interim Final Rule"?
A: An NPRM is issued by law when on of the agencies within the Federal branch of the government wishes to add, change, or remove a rule (or regulation) as part of the rule-making process. Interim final rules are binding norms federal agencies adopt and make effective immediately without the requirement of prior public comment on a rulemaking proposal.