Making Sense of Meaningful Use:
Incentives, Penalties, Audits and Stage 2
General Notes

- Eligible Professionals report during a calendar year
- Critical Access and Acute Care hospitals report during the federal fiscal year (October-September)
- Eligible Professionals can only attest to one incentive program
- Eligible hospitals can attest to both Medicare and Medicaid simultaneously
- Penalties occur beginning 2015 but professionals/ hospitals need to be compliant before then to avoid penalty
- 2014- all stages report to 90 days
  - Medicare- calendar quarter
  - Medicaid- any 90-day window
## Medicare EP Incentives

<table>
<thead>
<tr>
<th></th>
<th>First Payment Received in 2011</th>
<th>First Payment Received in 2012</th>
<th>First Payment Received in 2013</th>
<th>First Payment Received in 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payment Amount in 2011</td>
<td>$18,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payment Amount in 2012</td>
<td>$12,000</td>
<td>$18,000</td>
<td></td>
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<tr>
<td>Payment Amount in 2013</td>
<td>$7,840 Reduction ($160)</td>
<td>$11,760 Reduction ($240)</td>
<td>$14,700 Reduction ($300)</td>
<td></td>
</tr>
<tr>
<td>Payment Amount in 2014</td>
<td>$3,920 Reduction ($80)</td>
<td>$7,840 Reduction ($160)</td>
<td>$11,760 Reduction ($240)</td>
<td>$11,760 Reduction ($240)</td>
</tr>
<tr>
<td>Payment Amount in 2015</td>
<td>$1,960 Reduction ($40)</td>
<td>$3,920 Reduction ($80)</td>
<td>$7,840 Reduction ($160)</td>
<td>$7,840 Reduction ($160)</td>
</tr>
<tr>
<td>Payment Amount in 2016</td>
<td>$1,960 Reduction ($40)</td>
<td></td>
<td>$3,920 Reduction ($80)</td>
<td>$3,920 Reduction ($80)</td>
</tr>
<tr>
<td>TOTAL Incentive Payments</td>
<td>$43,720</td>
<td>$43,480</td>
<td>$38,220</td>
<td>$23,520</td>
</tr>
</tbody>
</table>
# Medicaid EP Incentive

<table>
<thead>
<tr>
<th>Payment Amount in 2015</th>
<th>$8,500.00</th>
<th>$8,500.00</th>
<th>$8,500.00</th>
<th>$8,500.00</th>
<th>$21,250.00</th>
<th>$0.00</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payment Amount in 2016</td>
<td>$8,500.00</td>
<td>$8,500.00</td>
<td>$8,500.00</td>
<td>$8,500.00</td>
<td>$8,500.00</td>
<td>$21,250.00</td>
</tr>
<tr>
<td>Payment Amount in 2017</td>
<td>$0.00</td>
<td>$8,500.00</td>
<td>$8,500.00</td>
<td>$8,500.00</td>
<td>$8,500.00</td>
<td>$8,500.00</td>
</tr>
<tr>
<td>Payment Amount in 2018</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$6,500.00</td>
<td>$9,500.00</td>
<td>$8,500.00</td>
<td>$8,500.00</td>
</tr>
<tr>
<td>Payment Amount in 2019</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$9,500.00</td>
<td>$8,500.00</td>
<td>$8,500.00</td>
</tr>
<tr>
<td>Payment Amount in 2020</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$8,500.00</td>
<td>$8,500.00</td>
</tr>
<tr>
<td>Payment Amount in 2021</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$8,500.00</td>
</tr>
<tr>
<td>TOTAL Incentive Payments</td>
<td>$63,750.00</td>
<td>$63,750.00</td>
<td>$63,750.00</td>
<td>$63,750.00</td>
<td>$63,750.00</td>
<td>$63,750.00</td>
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</tbody>
</table>
Hospital Incentives

• Hospitals can be eligible for Medicare and Medicaid
• Incentives calculated differently for both programs as well as for CAHs
Eligible Professionals

- **January 1**: Payment adjustments begin for Medicare EPs who are not meaningful users.
- **December 31**: MU year ends.

**2014**
- **October 1**: Deadline to attest to first year of MU and avoid penalties in 2015.
- **January 1**: Stage 2 of MU begins for those who attested in 2011.

**2015**
- **October 3**: Last date to begin first year of MU and receive any Medicare incentive payments.
- **July 3**: Last day to begin 90 days of MU if first year and avoid 2016 penalties.

**2016**
- **December 31**: MU year ends.
- **CY**: Last year to receive a Medicare EHR Incentive Payment.
- **CY**: Last year to initiate participation in Medicaid EHR Incentive Program.

**2021**
- **CY**: Last year to receive Medicaid EHR Incentive Payment.

**Events**
- **July 3**: Last day to begin first year of MU and avoid 2015 penalties.
- **December 31**: MU year ends.
- **CY**: Last year for Medicare MU payments for EPs.
October 1:
Payment adjustments begin for Medicare EHs that are not meaningful users

FY 2015:
CAHs that are not meaningful users will be subject to a payment adjustment

FY 2016:
Last year to receive a Medicare EHR Incentive Payment

FY 2016:
Last year to initiate participation in Medicaid EHR Incentive Program

FY 2018:
Last year to receive Medicaid EHR Incentive Payment
### Understanding EP Penalties

- Payment reduction to Medicare reimbursements
- If Medicaid eligible provider is not a MUer by 2014, they will face the penalty on their Medicare claims

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</thead>
<tbody>
<tr>
<td>not subject to the payment adjustment for the e-Rx in 2014</td>
<td>99%</td>
<td>98%</td>
<td>97%</td>
<td>96%</td>
<td>95%</td>
<td>95%</td>
</tr>
<tr>
<td>subject to the payment adjustment for the e-Rx in 2014</td>
<td>98%</td>
<td>98%</td>
<td>97%</td>
<td>96%</td>
<td>95%</td>
<td>95%</td>
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</tbody>
</table>
Understanding Hospital Penalties

• Acute Care
  – Payment adjustment applied to increase in IPPS payment rate

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<tbody>
<tr>
<td>% Decrease</td>
<td>25%</td>
<td>50%</td>
<td>75%</td>
<td>75%</td>
<td>75%</td>
<td>75%</td>
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• CAH
  – Payment adjustment applied to CAH Medicare reimbursement for inpatient services

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</thead>
<tbody>
<tr>
<td>% of reasonable costs</td>
<td>100.66%</td>
<td>100.33%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>
Changes to Stage 1 in 2014

• Must be on 2014 certified software
• Must use 2014 clinical quality measure list and tie to clinical decision support
• Must use patient portal for “timely access” measure
Preparing for Stage 2

• Eligible Professional (EP)
  – 17 core, 3/6 menu
  – Challenging Measures
    • Clinical Decision Support
    • View/Download/Transmit (portal)
    • Transition of care summary
    • Security (encryption)
Preparing for Stage 2

• Eligible Hospital (EH)
  – 16 core, 3/6 menu
  – Challenging Measures:
    • View/Download/Transmit patient admission info (portal)
    • Transition of care summary (3 part measure)
    • Clinical Decision Support (CDS)
    • Security (encryption)
Are you Covered for an Audit?

- Can you respond within 2 weeks without scrambling?
  - Most answer no
- Medicare and Medicaid audit separately
- Up to 10% of EP’s and 5% of Hospitals per state annually
- People do fail
Medicare Audits

• Completed by Figliozzi & Co.
  – Notice comes from cms.gov email
    • Sent to attester
  – Current focus is 2011 and 2012 attestations
  – Random audits and “red flag” audits
Medicare Audits Process

Letter

- Email sent to address documented during registration
- Includes an “information request list”

Documentation Request

- Documentation must be provided within time period (Approx. 2-4 weeks)
- Figliozzi & Co. utilize secure communication

Review & Response

- Figliozzi & Co. will review documentation and may request additional resources
- On-site review may be requested
Medicaid Audits

• Performed by State

• Indiana FSSA Audit Services and the Indiana FSSA Medicaid Finance Team
  – Pre-payment validation and post-payment audits
  – Various methods, standards, processes, and procedures
Medicaid Audits
Process

Letter
- Email sent to address documented during registration
- Includes an information regarding the “Desk Review”

Documentation Request
- Includes a review of financial payments
- Includes a review of MU Attestation materials

Review & Response
- Medicaid will review documentation and request for additional resources if needed
Privacy and Security
- CMS has been unclear on how to document compliance
- Providers left guessing what is sufficient
- Best advice; seek a consultant

My vendor said it was ok
- Substantiate ANY advice and maintain documentation
Top Reasons an Audit is Failed

Lack ownership of complete EHR
   – Providers may only own part of the complete EHR that they purchased

Reports lack identification of provider and/or EHR
   – Common missing elements on reports
     • EHR vendor and version
     • Providers must be identified on detailed data reports
Top Reasons an Audit is Failed

Public Health Connectivity

- Tests performed but adequate audit trail not maintained
- Auditor does not know name of every Public Health Organization
- Ask for letter to validate your test date and providers covered
Summary

• Incentive timing is tricky and ever changing
• Skipping years can be costly
• The measures for stage 2 are markedly more challenging than stage 1
• Auditors abound, be prepared
• Help is available
Contact Us

Allison Bryan MS, CHES
Managing Advisor- Special Projects
765-496-9791
abryan@purdue.edu
www.pha.purdue.edu

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