



California Medical Association
Physicians dedicated to the health of Californians

Health Information Technology

Federal Economic Stimulus and Regional Extension Centers

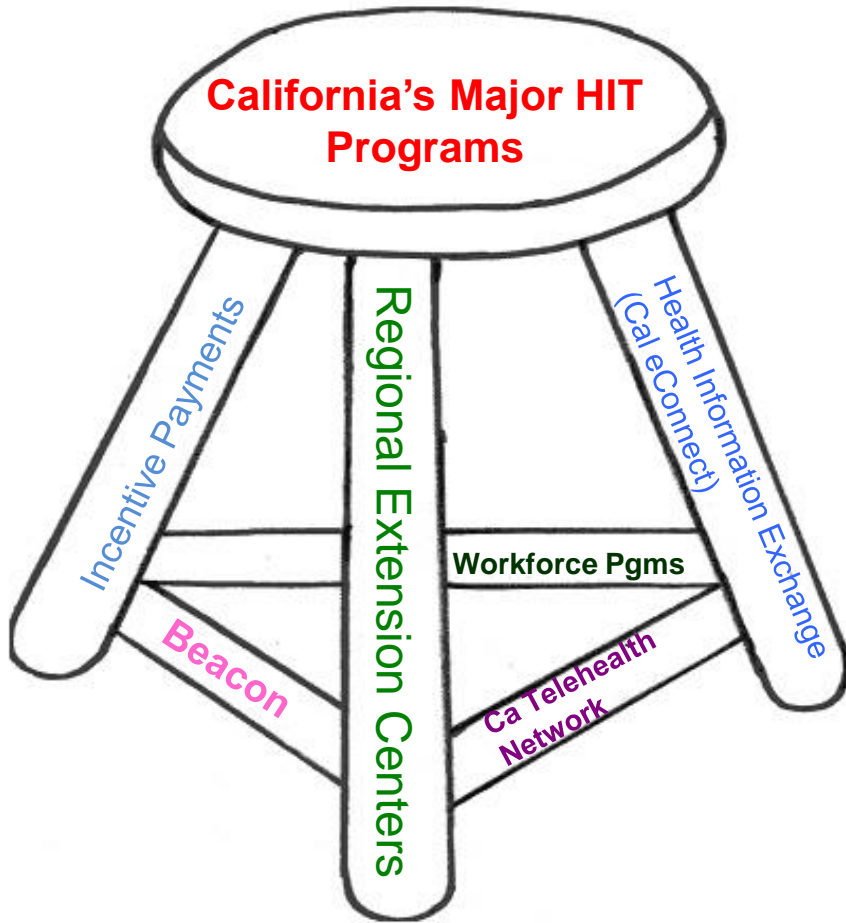
*Lisa Folberg, Vice President, Medical and Regulatory Policy,
California Medical Association*

American Recovery and Reinvestment Act (Stimulus Bill)

ARRA was signed into law in February 2009

primary sources of funding for HIT

- Provider Incentives: Funding directly to physicians
- Health Information Exchange
- Regional Extension Center
- Workforce funding



California's Major HIT Programs

Incentive Payments

Regional Extension Centers

Health Information Exchange
(Cal eConnect)

Beacon

Workforce Pgms

Ca Telehealth
Network

American Recovery and Reinvestment Act

- **Provider Incentives: Funding directly to physicians**
 - Health Information Exchange
 - Regional Extension Center
 - Workforce Programs

Provider Incentives: Two Programs

1. Medicare

2. Medicaid (Medi-Cal)

Medicare Incentives

- Must achieve “Meaningful Use” using a qualified Electronic Health Record (EHR)
- Medicare physicians are eligible to receive up to \$44,000 in incentive payments for demonstrating “meaningful use” of “qualified” EHR systems.
- Physicians practicing in a Health Professions Shortage Area are eligible for 10% bonus payments.
- Penalties:
 - 2015: 1%
 - 2016: 2%
 - 2017 +: 3%

Medicare Incentives Scale Down Over Time

First Year of Adoption

	2011	2012	2013	2014
2011	\$18,000	--	--	--
2012	\$12,000	\$18,000	--	--
2013	\$8,000	\$12,000	\$15,000	--
2014	\$4,000	\$8,000	\$12,000	\$12,000
2015	\$2,000	\$4,000	\$8,000	\$8,000
2016	\$0	\$2,000	\$4,000	\$4,000
Total	\$44,000	\$44,000	\$39,000	\$24,000

Incentive by Year

Medicaid (Medi-Cal) Incentives

- Medi-Cal Providers are eligible to receive up to \$63,750 in incentive payments, paid out over 6 years.
- Cost-based (except first year)
- Medi-Cal providers can receive upfront funding for “adopting, implementing, or upgrading” their EHR systems.

Medi-Cal Incentives

Three Ways to qualify

1. 30% of patient volume is Medi-Cal.
2. Pediatricians for whom 20% of patient volume is Medicaid. However, pediatricians with less than 30% only qualify for \$42,000.
3. Practice primarily in an FQHC or RHC, and 30% of patient volume is “needy individuals” (Medi-Cal, Healthy Families, Sliding Scale, or uncompensated care).

(In a clinic setting or capitated medical group, if more than 30% of patient volume is Medi-Cal, every physician in the clinic/group can qualify regardless of whether they qualify individually.)

Medi-Cal Incentives

	2011	2012	2013	2014	2015	2016
2011	\$21,250	-	-	-	-	-
2012	\$8,500	\$21,250	-	-	-	-
2013	\$8,500	\$8,500	\$21,250	-	-	-
2014	\$8,500	\$8,500	\$8,500	\$21,250	-	-
2015	\$8,500	\$8,500	\$8,500	\$8,500	\$21,250	-
2016	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500	\$21,250
2017	-	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500
2018	-	-	\$8,500	\$8,500	\$8,500	\$8,500
2019	-	-	-	\$8,500	\$8,500	\$8,500
2020	-	-	-	-	\$8,500	\$8,500
2021	-	-	-	-	-	\$8,500
Total	\$63,750	\$63,750	\$63,750	\$63,750	\$63,750	\$63,750

Hospital Incentive Payments

- Physicians in hospital-based clinics are eligible for individual incentive payments.
- Hospital-based physicians that provide 90% or more of their services in a hospital inpatient or ER setting are not eligible for incentive payments.
- Hospitals will receive a base amount of funding to implement EHRs, and additional formula-based funding amount.

American Recovery and Reinvestment Act

3 primary sources of funding for HIT

➤ Provider Incentives: Funding directly to physicians

➤ **Health Information Exchange (HIE)**

➤ Regional Extension Center

➤ Workforce Programs

Health Information Exchange



American Recovery and Reinvestment Act

3 sources of funding for HIT

- Health Information Exchange
- Provider Incentives: Funding directly to physicians
- **Regional Extension Center**
- Workforce Programs

Regional Extension Center (REC)

- Federally-funded non-profit entities.
- The purpose of the REC is to furnish assistance defined as education, outreach and technical assistance to help primary care providers in their geographic service areas to select, implement and meaningfully use certified EHR technology to improve the quality and value of healthcare.
- REC is not funded to provide hardware and software.

Regional Extension Center

RECs are funded to serve Priority
Primary Care Providers

- Small private physician practices of 10 providers or less
- Community health centers, primary care clinics and rural health clinics
- Out-patient clinics in public hospitals
- Ambulatory care clinics connected to Critical Access and Rural Hospitals

Regional Extension Center

Physicians eligible for subsidized services:

Physicians certified by...

American Board of Internal Medicine

American Board of Obstetrics and Gynecology

American Board of Pediatrics

American Board of Family Medicine

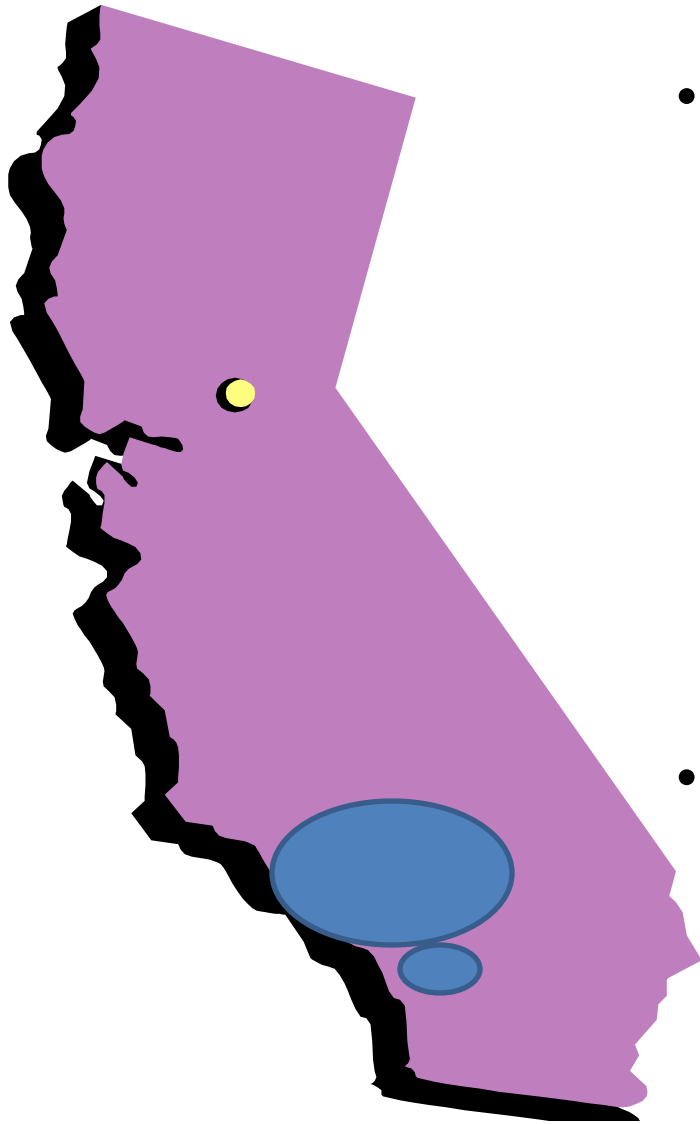
(including all subspecialists and those who have multiple certification)

Regional Extension Center (REC)

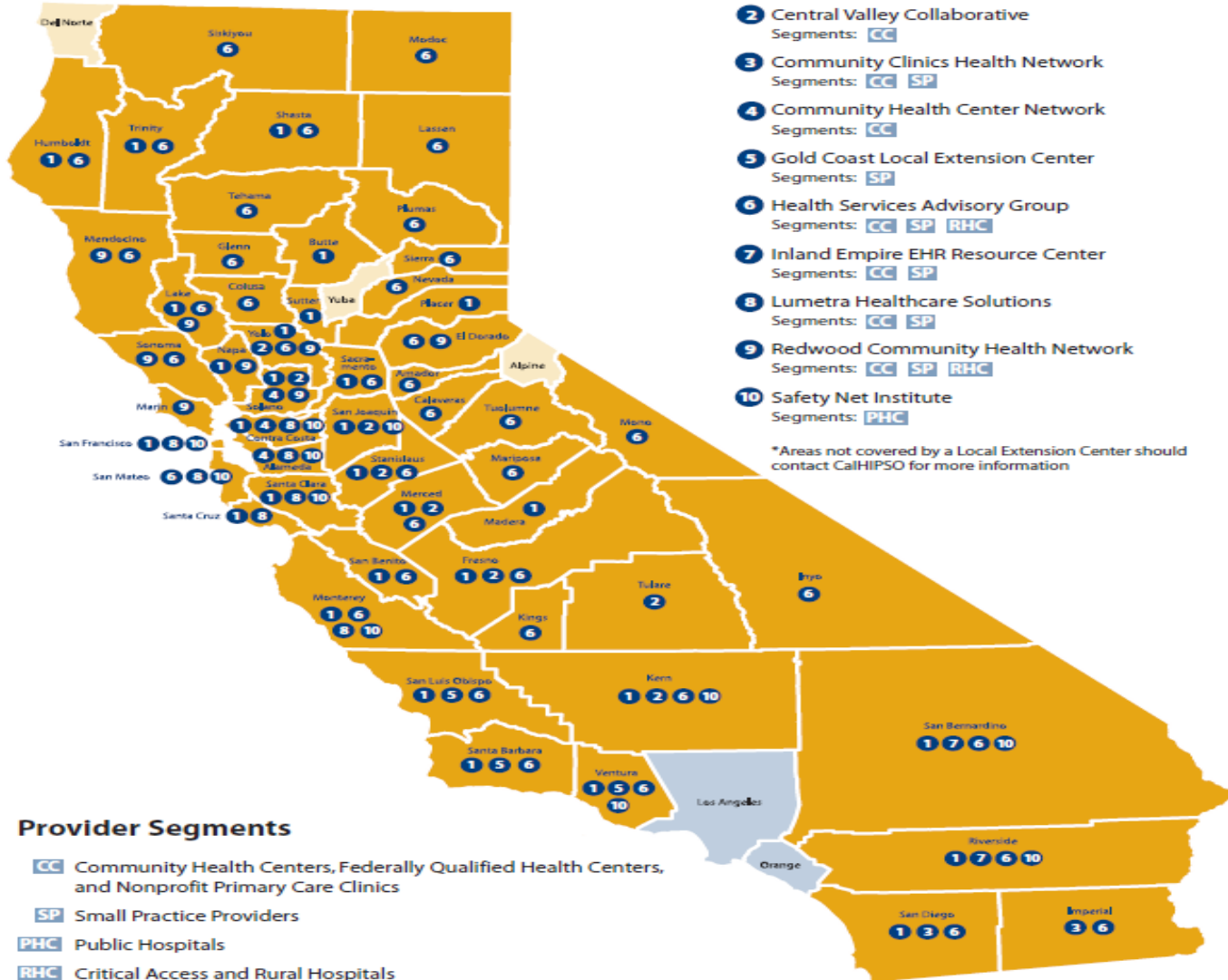
There are three in California:

1. a) **CalHIPSO** (Northern California): Rural North, Sacramento, Bay Area, Central Coast and Upper Central Valley
b) CalHIPSO (Southern California): Lower Central Valley, Inland Empire, and San Diego
2. HITEC-LA (Los Angeles County)
3. Indian Health Service (Tribal Clinics Only)
- ? Orange County

What is CalHIPSO?



- Formed by three key partners representing target “priority primary care providers”:
 - **California Medical Association (CMA)**
 - **California Association of Public Hospitals & Health Systems (CAPH)**
 - **California Primary Care Association (CPCA)**
- CalHIPSO is tasked with supporting targeted 6,187 providers throughout CA successfully adopt electronic health records



Local Extension Centers

- 1 California Planned Parenthood Education Fund
Segments: CC
- 2 Central Valley Collaborative
Segments: CC
- 3 Community Clinics Health Network
Segments: CC, SP
- 4 Community Health Center Network
Segments: CC
- 5 Gold Coast Local Extension Center
Segments: SP
- 6 Health Services Advisory Group
Segments: CC, SP, RHC
- 7 Inland Empire EHR Resource Center
Segments: CC, SP
- 8 Lumetra Healthcare Solutions
Segments: CC, SP
- 9 Redwood Community Health Network
Segments: CC, SP, RHC
- 10 Safety Net Institute
Segments: PHC

*Areas not covered by a Local Extension Center should contact CalHIPSO for more information

Provider Segments

- CC Community Health Centers, Federally Qualified Health Centers, and Nonprofit Primary Care Clinics
- SP Small Practice Providers
- PHC Public Hospitals
- RHC Critical Access and Rural Hospitals

CalHIPSO Fee Schedule

	Tier 1 Membership	Tier 2 Membership
	Providers who are members of CMA/CAPH/CPCA	All other providers
Practices of 10 or less: Annual fee per provider	<ul style="list-style-type: none"> \$150 per provider up to max of \$750/practice 	<ul style="list-style-type: none"> \$600 per provider up to a max of \$3,000/practice
Practice of 11 or more:	<ul style="list-style-type: none"> \$1,500 annual fee cap per site \$3,000 annual fee cap per organization 	<ul style="list-style-type: none"> \$6,000 annual fee cap per site/organization

HiTec-LA



- Project of LA Care
- Service area is Los Angeles County

[Http://www.lacare.org/aboutlacare/hitec-la](http://www.lacare.org/aboutlacare/hitec-la)

1-888-524-4832

What is Meaningful Use?

Three criteria listed in the Stimulus Act:

1. Demonstrate to HHS that EHR was used in a meaningful manner, including e-prescribing.
2. The EHR is connected in a way to facilitate information exchange.
3. The physician reports on clinical quality measures.

Stages of Meaningful Use

First Payment Year	2011	2012	2013	2014	2015+
2011	Stage 1				
2012	Stage 1	Stage 1			
2013	Stage 2	Stage 1	Stage 1		
2014	Stage 2	Stage 2	Stage 1	Stage 1	
2015+	TBD	TBD	TBD	TBD	TBD

Final rule for Stage 1 released in July. Effective September 26th.

Meaningful Use

Putting it All Together: Medicare

Meaningful Use and Incentive Payments

First Payment Year	2011	2012	2013	2014	2015+
2011	\$18,000 Stage 1				
2012	\$12,000 Stage 1	\$18,000 Stage 1			
2013	\$8,000 Stage 2	\$12,000 Stage 1	\$15,000 Stage 1		
2014	\$4,000 Stage 2	\$8,000 Stage 2	\$12,000 Stage 1	\$12,000 Stage 1	
2015	\$2,000 TBD	\$4,000 TBD	\$8,000 TBD	\$8,000 TBD	- TBD
2016	- TBD	\$2,000 TBD	\$4,000 TBD	\$4,000 TBD	- TBD

Medicare Meaningful Use Requirements

- Report (to CMS or the State) on 15 required objectives, plus 5 “menu” items (from a list of 10).
- Each objective has an associated “measure,” which is the criteria the provider will have to demonstrate.

Meaningful Use



Coffee Beans



Meaningful Use of
Coffee Beans

Meaningful Use

Clinics and Physician Groups

- Assignment of incentive payments
 - At the Provider's discretion.
 - Must select site. Incentive cannot be spread over multiple locations.
- Practice-level calculation of patient volume.
- Physicians who practice at multiple locations – can select one with more than 50% of patient encounters.

Other Important Federal HIT Regulations

Federal EHR Certification Regulations:

- In order to achieve meaningful use, a provider must use an EHR system that has been certified by a federally approved certification body.
- The final rule only covers the Temporary Certification Program which will be in effect until December 31, 2011. The permanent program will begin in January 2012. A subsequent regulation will determine the permanent certification process.
- The federal government has announced three certifying bodies
 - CCHIT
 - Drummond Group
 - Infogard

CMA Resources - HIT

CMA's Health IT Resource Center

www.cmanet.org/HIT

- ***EHR Vendor Comparison Tool*** (Oct 2010)
- ***EHR Return on Investment Calculator*** (Oct 2010)
- ***Model EHR Contract Language*** (Nov 2010)
- ***Meaningful Use Evaluation Tool*** (Nov 2010)

CMA Resources - HIT

Other CMA Resources

CMA Webinar Updates

Discounted Consulting Services

CMA Policy Information and Summaries

CMA “On-Call” Documents

CMA Member Helpline

800/786-2CMA (4262)

Questions?