

A high-level look at Title XIII of the American Recovery and Reinvestment Act of 2009 (February 17, 2009)

Qualifying for reimbursement payments for Electronic Health Records (EHR) under Medicare

The U.S. Government has officially encouraged the healthcare industry to voluntarily adopt electronic medical/health records (EMR/EHR) since 2004, achieving only a modest response. The Obama administration now has adopted an inverse approach – less voluntary in that there are significant financial incentives for physicians and other providers to comply as well as a downside for those who do not.

Medicare Schedule

To qualify for the grants, doctors must demonstrate “meaningful use” of a “certified” EHR solution. (See below, under “Legislation.”)

Incentive payments for compliance will be awarded in amounts up to \$44,000 per physician over a period of five years, with the size of the grant tied to the amount of treatment they have provided under Medicare. To obtain the grants, they will be required to provide records of filings and dollars received.

The payments will commence in 2011 and continue on a diminishing scale through 2015, awarded as bonuses based on the amount of Medicare services performed. For example, the grant for 2011 can accrue to as much as 75% of an allowable \$24,000 in charges per physician, or \$18,000. Doctors serving designated “health professional shortage” areas may qualify for an additional 10 percent. (See table).

HITECH Act: Physician Reimbursement Plan					
	Adopt 2011	Adopt 2012	Adopt 2013	Adopt 2014	Adopt 2015+
	(\$)	(\$)	(\$)	(\$)	(\$)
2011	18,000	0	0	0	0
2012	12,000	18,000	0	0	0
2013	8,000	12,000	15,000	0	0
2014	4,000	8,000	12,000	15,000	0
2015	2,000	4,000	8,000	12,000	0
2016	0	2,000	4,000	8,000	0
TOTAL	44,000	44,000	39,000	35,000	0
Health Prof. Shortage Area	48,400	48,400	42,900	38,500	0

Table from Chilmark Research, from Title IV, HITECH Act

There are neither incentives nor penalties for systems first used in a “meaningful way” in 2015, but penalties begin in 2016, applied against the Medicare fee schedule of practitioners not demonstrating “meaningful use” of EHR technology, as follows:

- 2015: reduction to 99 percent of the regular fee schedule
- 2016: reduction to 98 percent
- 2017 and subsequent years: reduction to 97 percent

If fewer than 75% of eligible healthcare professionals are using EMR/EHR beginning in 2018, the Secretary can further reduce the fee schedule to 96% and to 95% in subsequent years.

The Legislation

The legislation is contained in Title XIII of the American Recovery and Reinvestment Act of 2009 (H.R. 1), or HITECH, which allocates \$19.2 billion to Healthcare. Of this amount, \$17.2 billion is assigned as financial incentives to physicians and hospitals through Medicare and Medicaid. Chiropractors are defined as “physicians” under the Social Security Act Section 1961, which also serves as the Medicare definition.

While not directly tied to technology purchases, the grants are dependent on doctors’ demonstrating “meaningful use” of certified technology solutions. “Meaningful use” includes documentation of treatment, including medical necessity, over a period of time, for cases covered within Medicare.

For a detailed description, refer to [Division B of the American Reinvestment and Recovery Act](#), beginning on page 490 (Title IV, HITECH Act.)

Reasons to Act Now

The financial awards can easily cover the cost of solutions and more, with the doctor then able to profit from the technological improvements throughout the life of the practice.

Certification informs doctor-users that the software has qualified under a set of minimum standards for functionality. ACOM Health guarantees that its RAPID software will be among the solutions.

There are important factors beyond functionality that Certification is not likely to address but which are certainly among the concerns of cash-conscious, often technology-averse physicians:

- **Ease of use:** ACOM software provides full, automated, code-supported documentation of medical necessity from initial exam through patient discharge.
- **Customer support:** ACOM’s reputation is built on a solid foundation of product excellence and comprehensive, accessible training and support.
- **Immediate financial impact:** ACOM Health’s doctor designed solutions have been proven by some hundreds of users to immediately impact practice revenues and profitability by streamlining clinic operations; by enabling faster and more comprehensive patient visits; and by generating precise notes and reports that encourage prompt and fair payment.
- **Financially viability:** ACOM Solutions, Inc. is privately owned, with a 27+ year history of profitable growth. Our multiple divisions focus on all levels of electronic document management and distribution and are in daily use at approximately 4,000 businesses in the U.S. and abroad.

We’ll also keep you posted on further developments at www.acomhealth.com. Contact us for more information on the HITECH program and how you can use ACOM software to get ready for it.