

## **ARRA FUNDING AND PEDIATRIC MEANINGFUL USE FAQ**

### **Q. What are “ARRA” and “Meaningful Use?”**

ARRA is the American Recovery and Reinvestment Act of 2009, popularly known as the Stimulus Bill. Among the provisions of this act was the provision of money to assist Eligible Professionals (EPs) in acquiring and maintaining certified systems to manage Electronic Health Records (EHRs).

In an effort to improve healthcare delivery, integration and costs, ARRA stipulates that it is not enough just to purchase EHR technology. Instead, providers must demonstrate that they are using the technology “meaningfully.” There has been a long process involving multiple stakeholders to determine the form and content of Meaningful Use standards. The Final Rule was issued on July 13, 2010.

It is important to note that the Federal rules define Meaningful Use only for Medicare providers. Medicaid EPs - in other words, most pediatricians - will qualify under state-specific Meaningful Use definitions. Some efforts have been made to encourage consistent definitions across state lines, but there is no mandate. It seems more likely that states will find ways to formalize Quality Improvement and other cost-saving programs that are already in place into their individual definitions of Meaningful Use. For example, states with high incidence of certain chronic illnesses in their Medicaid populations are likely to adopt disease management metrics to focus on these populations in their definitions of Meaningful Use.

### **Q. What money is available for adopting/using EHRs under ARRA?**

ARRA defines “Eligible Professionals” as providers who are not hospital-based. Those who practice adult medicine are eligible for Medicare-based incentives of up to \$18,000 in the first year (\$15,000 if their first year is 2013 or 2014), sliding down to \$12,000, \$8,000, \$4,000 and \$2,000 in the subsequent four years, for a potential total of up to \$44,000 over a five-year cycle. These payments are based on 75% of allowable submitted charges and can be applied to costs associated with software, hardware, networking, training, upgrades, support, and other items related to adoption and use of qualified Health Information Technology.

Pediatricians - who generally rely on Medicaid, rather than Medicare - will face an entirely different set of funding rules, based on what percentage of their encounters occur with Medicaid patients. The following thresholds apply:

- Participating Medicaid EPs who see a minimum of 30% of their total visits with Medicaid patients qualify for \$21,250 in the first year, and \$8,500 in each of years 2-6, for a potential total of \$63,750 over six years.
- Participating *pediatric* Medicaid EPs who see 20%- 30% of their visits with Medicaid patients qualify for up to \$14,167 in the first year, and \$5,667 in each of years 2-6, for a potential total of \$42,500 over six years.
- Pediatricians who do not participate in Medicaid, or who participate but do not see at least 20% of their total visits with Medicaid patients, do not qualify for any ARRA funds at all.

**Q. I accept Medicaid patients. How do I calculate which bracket I fall into?**

The rules state that an EP must annually document patient volume thresholds measured by the ratio of the total number of Medicaid patient encounters over any representative continuous 90-day period in the most recent calendar year, to the total number of patient encounters over that same 90-day period. The guidelines state that this calculation should be performed and applied for each individual EP, even those who practice in group settings. However, application of the guidelines, as well as the treatment of mid-level providers, may vary somewhat from state to state. It is important that pediatricians contact their state Medicaid Director to obtain specific information about how their state will calculate this metric.

**Q. I'm not ready! How soon do I have to start?**

Contrary to popular opinion, there is no rush for Medicaid providers. (Medicare providers, on the other hand, must act quickly. Their funding stream runs out in 2016. And then they face penalties for non-adoption.) The first year pediatricians can be qualified to receive any money is 2011. But if providers decide to defer this decision, they will *not* be excluded from funding - they simply end up delaying the onset of their payment flows. Remember, payments occur over a six-year cycle. The first year of that cycle can be anytime between 2011 and 2016. Providers who enroll immediately would receive their final payments in 2016. Those who wait until 2016 would continue to receive payments through 2021. The total amount remains the same, as long as you continue to qualify each year.

**Q. My state hasn't decided on Meaningful Use yet. How can I get ready in time for 2011?**

The regulations anticipated this problem. Medicaid EPs need only demonstrate that they have "adopted, implemented, or upgraded certified EHR technology" in order to qualify for first-year funding. Demonstration of Meaningful Use is only required to continue funding in the "maintenance period" from years 2-6.

**Q. I already have an EHR. Do I still qualify for funding?**

YES! The regulations are designed not to discriminate against early adopters. Providers who already own EHRs and upgrade or continue to maintain them during the qualifying period will be able to claim the same amounts as those who are just adopting for the first time. The most important thing is that the existing EHR must be certified according to standards defined in the Final Rule. Older software that does not get recertified under this program will *not* qualify for incentive payments.

**Q. What is a “certified EHR?”**

Concurrent with the Final Rule on Meaningful Use, CMS issued an initial set of standards, implementation specifications, and certification criteria for EHRs to allow qualifying providers to demonstrate Meaningful Use. In June, the ONC issued a Final Rule on temporary certification, which invites qualified organizations to apply to become Authorized Testing and Certification Bodies. No organizations have yet been awarded this designation, which means that as of mid-July, NO EHR can claim to be fully qualified to meet Meaningful Use requirements.

Prior to ARRA, CCHIT was the most well known certifier of EHRs. (Office Practicum is certified under its most recent 2008 program.) CCHIT has applied to become an ONC-ATCB, and has already provisionally certified some vendors with metrics that were anticipated in the final definition of meaningful use. But most vendors have been waiting to apply until the Meaningful Use definition was final and ONC-ATCBs were named, so they will only have to sit for the testing once.

**Q. All of the EHR vendors are offering ARRA “guarantees.” What should I look for?**

Because most Medicaid providers will qualify under state - not Federal - guidelines, it is VERY important for pediatricians to understand what vendors are guaranteeing with respect to their product supporting Meaningful Use. Most vendor “guarantees” center on the Medicare definition, not individual state definitions. If Medicaid funding is the only form available to your practice, you should ensure that the vendor would meet those needs, too.

Don’t forget: If a pediatric practice doesn’t participate with Medicaid or doesn’t achieve the minimum 20% Medicaid encounter threshold, it will not qualify for ARRA funding regardless of whether its EHR is “certified” or “guaranteed.” And until a practice reaches the 30% threshold, it will not qualify for the full amount. In such cases, considerations about the quality of the product, pediatric requirements as identified by the practice, and ability to support existing workflows, should be paramount in decision-making. A bad EHR decision can easily cost a provider far more in lost daily productivity than the incentive payments.