

Electronic Medical Records 2009 Update and Discussion Forum

Thomas Mohr, D.O., FACOI
Rocky Vista University
College of Osteopathic Medicine

Objectives

- Briefly discuss new legislation concerning electronic medical records
- Provide open forum for questions and discussion on EMR topics

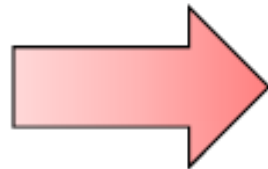
AOA HIT Town Hall

- November 3rd at OMED in New Orleans
- Will discuss federal funding initiatives

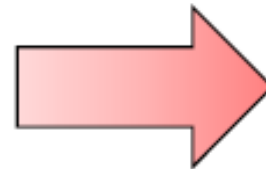
A Partial List of Ambulatory EMR Vendors

- ▶ **Allscripts**
- ▶ **Sage**
- ▶ EPIC
- ▶ GE Centricity
- ▶ NextGen
- ▶ Misys EMR
- ▶ eClinicalWorks
- ▶ Allmeds EMR
- ▶ AthenaHealth
- ▶ ComChart EMR
- ▶ Companion Tech
- ▶ Digichart
- ▶ Greenway
- ▶ iGreat
- ▶ iMedica
- ▶ Emdeon Intergy
- ▶ JMJ EncounterPro
- ▶ LSS EMR (Meditech)
- ▶ Physician Microsystems
- ▶ Docs, Inc.
- ▶ Medent
- ▶ MediNotes
- ▶ Synamed
- ▶ Acermed
- ▶ Bond
- ▶ Wellogic
- ▶ Digichart
- ▶ MedicWare
- ▶ Pulse
- ▶ MDanywhere
- ▶ Chartconnect

Today
180 vendors



18 months
20 – 30



End-State
~ 5-6

- Glen Tulman, CEO, Allscripts, April 17, 2008

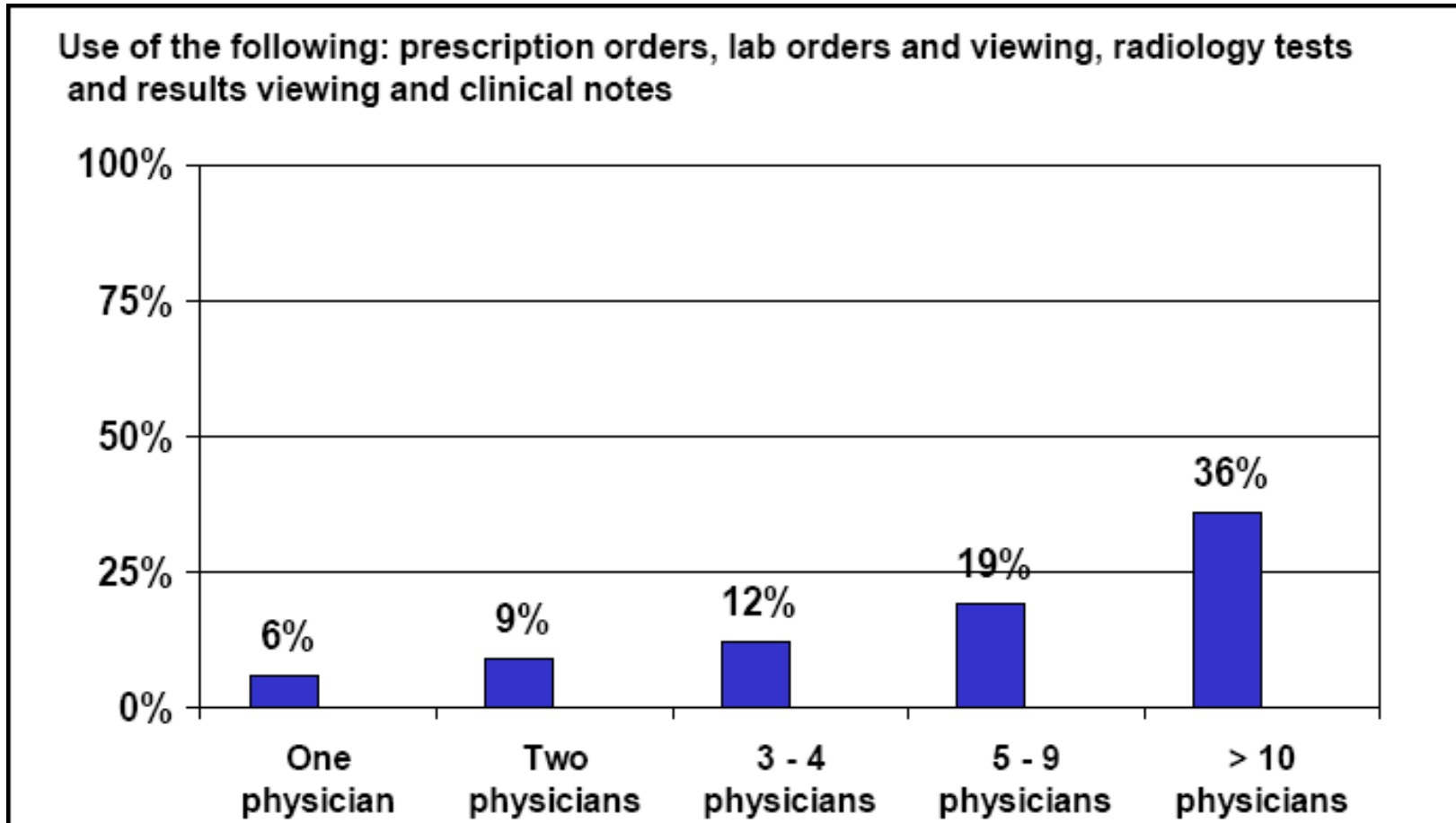
Physician EMR Adoption

Study	2005	2006	2007	2009 & beyond
MGMA (2006)	12%		58% (Projected)	
Harvard-MA practices) (2006)	23%			
AMCS (2006; 2007)	24%	29%		
EHR-Nebraska (2007)			23%	
AC Group (2007)			15.8%	52% (2010 target)
MGH-RTI (2008)			14%	
ONCHIT (2008)				30% (2009 Target)

Bottom Line: Level of adoption in 2007 = 14% -- 16%, depending on EMR definition and sample characteristics; most likely an increase of 2% -- 5% in 2 years (AMCS survey consistently higher than other studies; we consider it overstated.)

Source: eHealth Management and Market Consultants

EMR Functionality Use by Practice Size



Source: MGH Institute for Health Policy, George Washington University and RTI, A National Survey of Health Record Keeping among Physicians & Group Practices in the United States, Preliminary Data

Overview

- Stimulus 101 –Physician EMR Stimulus
- 2009 CMS changes as they relate to the physician quality reporting initiative (PQRI)
- Electronic Prescribing (eRX)
- EMR software tax deductions
- Healthcare system donations of 85% of the software costs

Stimulus 101

- February 17, 2009 American Recovery and Reinvestment Act
 - HITECH Act
 - \$2B to HHS and the Office of National Coordinator for Health IT (ONC)
 - \$36B paid to providers who demonstrate use of HER
 - Net cost to the government anticipated to be \$19.5 billion after savings through efficiencies, tax revenue and Medicare fee reductions for non-adopters

Medicare Incentives for Physicians

- Money available commencing in 2011
- Compensate “meaningful EHR users” in an amount equal to an additional 75% of the allowed charge for professional services furnished by physicians
- Incentives are for five years, with a decreasing schedule each year
- Phase down for physicians adopting after 2013
- Physicians whose first payment year is after 2014 receive no incentives
- No incentives after 2016
- Beginning 2015, reduction in Medicare reimbursements by one to three percent each year for physicians who are *not meaningful EHR users*
- Also available to physicians of a qualified organization

Specifics of the Physician Opportunity

- Physician incentives allocated in two payment forms beginning in 2011
- Two opportunities
 - Medicaid = >30% of paying patients >20% pediatrics eligible for \$65,000 over five years
 - Medicare for physicians without large Medicaid population can receive up to \$44,00 over five years and a 10% increase for “health provider shortage” areas
- Specialties delivering care entirely in a hospital are ineligible

Incentive Flow - Medicare

- Based on 85% of allowable charges not to exceed eligible amount

Table 1 - Medicare							
Year -EMR use is first demonstrated	Providers will receive incentives each year						Total
	2011	2012	2013	2014	2015	2016	
2011	\$18K	\$12K	\$8K	\$4K	\$2K		\$44K
2012		\$18K	\$12K	\$8K	\$4K	\$2K	\$44K
2013			\$15K	\$12K	\$8K	\$4K	\$39K
2014				\$12K	\$8K	\$4K	\$24K

Source: American Recovery and Reinvestment Act

Incentive Flow - Medicaid

- Under ARRA providers will earn from \$21,250 to \$25,000 for the first year of payments

Table 2 - Medicaid									
Providers will receive incentives each year									
Year EMR use is first demonstrated	2011	2012	2013	2014	2015	2016	2017	2018	Total
2011	\$25K	\$10K	\$10K	\$10K	\$10K				\$65K
2012		\$25K	\$10K	\$10K	\$10K	\$10K			\$65K

Source: American Recovery and Reinvestment Act

Eligibility Criteria

- Meaningful Use
 - Can start in 2011 by meeting the following three criteria:
 - Use ePrescribing
 - Can accommodate electronic exchange of health information to improve quality of healthcare
 - Submit care quality measures to HHS
- Additional criteria to get incentives from Medicaid

First Steps

- Prepare plan to implement a certified EMR system immediately
- Get the best possible information about the stimulus package for HIT through various sources
- Assess current status and precise requirements for implementation
- Identify the pros and cons of the stimulus bill for providers
- Begin recouping incentive in 2011

Getting Started

- Plan 2-4 months to research, review, select and purchase
- Plan additional 1-2 months to set up, train, implement, become fully functional
- Plan 5-8 months for staff to become proficient

PQRI

Physician Quality Reporting Initiative

- CMS transforming Medicare program from passive payer into active purchaser of high-quality care linking payment to value of care provided
- Eligible professionals who satisfactorily report at least three applicable quality measures shall be paid an incentive of 2.0% of estimated allowable charges submitted not later than two months after the end of the reporting period for 2009 PQRI quality measures
- Utilize PQRI Toolkit for implementation process
- http://www.cms.hhs.gov/PQRI/31_PQRIToolKit.asp#TopOfPage

ePrescribing

- Incentive amounts will be 0.5 –2.0% of the total estimated allowed charges for professional services covered by Medicare Part B

Year	Incentives	Penalties
2009	2.0%	None
2010	2.0%	None
2011	1.0%	None
2012	1.0%	1.0%
2013	0.5%	1.5%

EMR Software Tax Deduction

- Under existing law, medical offices are allowed to write-off \$250,000 in the first year of ownership even when leased or financed
- Stimulus package also provides an additional 50% bonus tax deduction for 2009 only

Hospital Assist of 85% of Software Costs

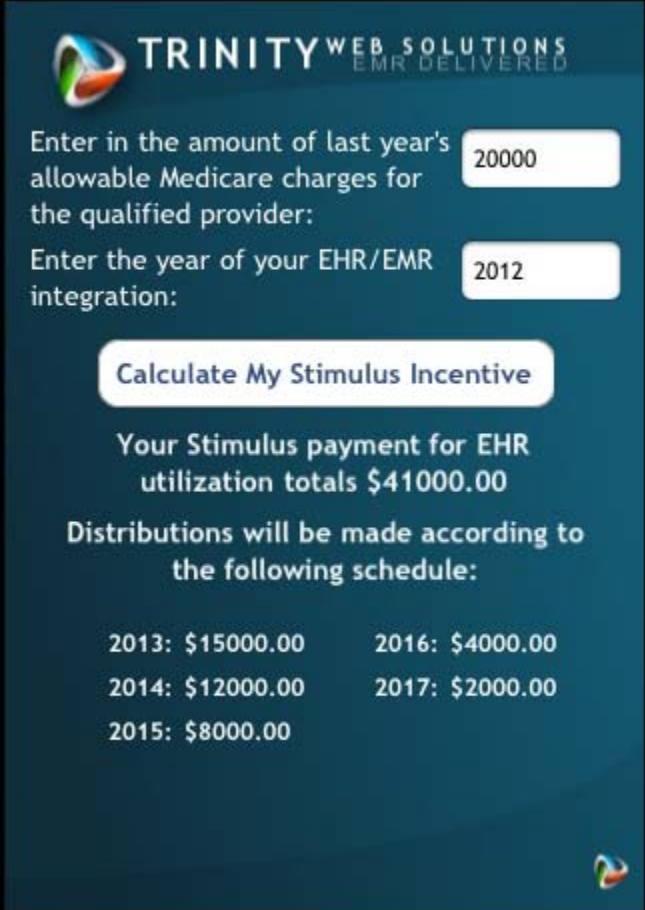
- Physicians select and purchase their own hardware meeting minimal computing requirements
 - \$5K - \$7K
 - 15% of EMR software cost
- Ongoing support to physician via monthly fee
- FY1 9% of health plans include incentives for EMR in P4P programs

Sum of Parts

Incentive	Amount
ePrescribing	2%
PQRI	2%
ARRA – Medicare	\$ 44,000
ARRA – Medicaid	\$ 65,000
Tax Deduction	\$ 250,000
Stark Hospital Software Contribution	85%

iPhone Application

- Get an accurate financial calculation of EHR stimulus reimbursement.
- Demystify the provisions of the incentives in the stimulus legislation.
- Plan your EMR/EHR implementation with confidence.
- Calculate expected penalty for non-adoption of an EHR/EMR system.
- Tailor a compensation schedule showing that 70% of the payout is in the first 2 years.



The screenshot shows the Trinity Web Solutions EHR Incentive Calculator app interface. At the top, the logo for Trinity Web Solutions is displayed with the tagline "EMR DELIVERED". Below the logo, there are two input fields: "Enter in the amount of last year's allowable Medicare charges for the qualified provider:" with the value "20000" entered, and "Enter the year of your EHR/EMR integration:" with the value "2012" entered. A prominent button labeled "Calculate My Stimulus Incentive" is centered below the inputs. The results section shows: "Your Stimulus payment for EHR utilization totals \$41000.00". Below this, it states "Distributions will be made according to the following schedule:" followed by a table of payments over time.

2013: \$15000.00	2016: \$4000.00
2014: \$12000.00	2017: \$2000.00
2015: \$8000.00	

<http://www.apptism.com/apps/ehr-incentive-calculator-ambulatory>

Penalties

- Providers not adopting an EMR will see reductions in their Medicare reimbursements

		Median
Medicare: fee-for-service pay mix		25.70%
Gross FFS charges		\$ 1,0114,721
Medicare: fee-for-service charges		\$ 260,783
Medicare: fee-for-service revenue		\$ 92,265

Table 3 - Medicare		
Not adopting EMR by the year	Reductions in Medicare Reimbursements to Providers	Penalty
2015	1%	\$ 922.65
2016	2%	\$ 1,845.30
2017	3%	\$ 2,767.95

Source: MGMA 2007 Cost Report

References

- KR Burchill - Beacon Hill Healthcare Management Consultants
 - <http://www.nchica.org/Activities/09/presentations/Burchill.pdf>

ELECTRONIC PRESCRIBING

ePrescribing Statistics

17% MDs prescribing electronically

(Gorman Health Group, 2007)

41,000 Pharmacies ePrescribing

(SureScripts *National Progress Report on ePrescribing*, December 2007)

35 million Prescriptions sent online to Pharmacies

(SureScripts *National Progress Report on ePrescribing*, December 2007)

7.5% US hospitals using CPOE for Rx orders

(KLAS, 2006)

24% Outpatient EMR use

(National Center for Health Statistics, 2006)

210 million Lives for whom formulary & benefits are contractually available through RxHub

\$29 billion Potential annual ePrescribing savings

(Center for Information Technology Leadership, 2004)

Published Research: Practice Efficiency

Study	Results
Health Alliance Plan (Henry Ford Medical Group) 2006	57% physicians believe there is a reduction in time spent by support staff.
Rand (NJEPAC) 2006	80% reduction in callbacks related to coverage issues.
Surescripts (Brown Univ; Midwestern Univ) 2006	90% physicians noted improvement in care efficiency. 50%+ reduction in time consumed to manage refill requests and pharmacy callbacks.
Health Management Technology 2003	\$48,000 saved per year by a practice that automated refills.
Medco 2003	42% reduction in pharmacy calls to practice.
Tufts Healthplan 2002	2 hours per day saved per physician, 30% reduction in phone calls.
BCBS Hawaii 2000	50% reduction in pharmacy phone calls.
Kokomo Family Care 2000	42% reduction in pharmacy-related calls; 84% reduction in calls related to formulary.

Published Research: Practice Quality & Safety

Study	Results
Surescripts (Brown University; Midwestern University) 2006	75% of physicians believed patient safety & quality of care improved. 50% of physicians perceived communication with patients improved.
Rand (NJEPAC) 2006	Medication history perceived as very useful & worth the effort.
Health Alliance Plan (Henry Ford Medical Group) 2006	85% of physicians believe e-Rx has improved the practice of medicine at their clinic. 77% of physicians believe e-Rx improves the safety of patient care. 70% of physicians believe e-Rx improves patient satisfaction.
Surescripts & Walgreens 2006	11% improvement in new prescriptions filled by patients 3 months after e-Rx implemented (variable influences patient adherence)

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