
Louisiana Medicaid EHR Incentive Program

Medical Care Advisory Committee (MCAC)



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PROGRAM OVERVIEW

Health Information Technology for Economic and Clinical Health Act (HITECH)

HITECH Legislation's purpose:

To improve outcomes, facilitate access, simplify care, and reduce costs of health care nationwide by providing:

- Major **financial support** to provider and States;
- Learning opportunities created and leverages through **technical assistance** from CMS and others;
- Will establish sustainable data-driven infrastructure that will create a **framework** for improving healthcare quality and outcomes

Louisiana EHR Incentive Program

Financial incentives to . . .

- Adopt (*acquire and install*)
- Implement (*commenced utilization, train staff, deploy tools, exchange data*)
- Upgrade (*expand functionality or interoperability*)

Or...

- Meaningfully Use (*meet specified criteria*)
 . . . a certified EHR System

Who's Eligible?

- Eligible professionals (EPs) include:
Physicians, Nurse Practitioners (NPs), Certified Nurse Midwives (CNMs), Dentists, and Physician Assistants when practicing at an FQHC/RHC that is led by a PA. Required Medicaid patient volume thresholds:
 - Physicians 30%, Pediatricians 20%, Dentists 30%, CNMs 30%, NPs 30% and PAs 30% when practicing at FQHC/RHC that is led by PA; or
 - EPs practicing predominantly in an FQHC/RHC and have at least 30% patient volume attributable to needy individuals.
- Eligible Hospitals include:
 - Acute care hospitals (including CAHs and cancer hospitals) must meet 10% patient volume threshold:
 - Health care facility where LOS is ≤ 25 days
 - Includes some specialty hospitals where the average LOS ≤ 25 days
 - Medicare CCN # with last four digits in the series 0001 thru 0879
 - Children's hospitals - no patient volume Medicare CCN# 3300 thru 3399

Incentive Payments to Eligible Professionals

- Eligible professionals:
 - Allowed to switch between Medicaid and Medicare once, except for RHC and FQHCs which qualify only for Medicaid
- Incentive Payments
 - Incentive Program starts in 2011 and ends in 2021
 - Provides for payments of up to \$63,750 (85% average allowable costs over 6 years)
 - 1st year payment of \$21,250; years 2-6 \$8500 each
 - Pediatricians, who are not hospital-based, and who have at least 20% Medicaid patient volume may receive only up to 2/3 of the above payments
- Matching funds:
 - DHH administration of Medicaid incentives will be matched 90% by federal government
 - Incentive payments themselves are 100% federal pass-thru

Incentive Payments to Hospitals

- Eligible Hospitals
 - Can receive both Medicaid and Medicare incentive payments
 - Eligibility criteria is the same for Medicaid as it is for Medicare unless State decides to make changes – CMS advises against
 - Adoption must begin by 2015 to be eligible.
- Incentive Payments
 - Payment Formula
 - Base of \$2,000,000
 - \$200 for each base-year admit from 1,150 up to 23,000 admits
 - Medicaid patient-day mix as calculated by formula
 - Transition factor which decreases .25 each year from 1.0.
 - For example, a hospital with 5,000 admissions and 30% Medicaid patient-day mix in the second year of payment would receive:
$$\$2,000,000 + (\$200 \times 5000) \times 0.35 \times (1.0 - 0.25) = \$787,500$$
- Matching funds:
 - DHH administration of Medicaid incentives will be matched 90% by federal government
 - Incentive payments are 100% federal pass-thru

Activities Required for Incentives

❑ Adopt, Implement, Upgrade (AIU)

- First participation year only
- Adopt – acquire, purchase and install an EHR
- Implement – actually use e.g., staff training, data entry of patient demographics, data use agreements
- Upgrade – If already have, must upgrade to current version e.g., ONC EHR certification or additional support such as clinical support or HIE capacity

Meaningful Use (MU)

- Subsequent participation years
- Use of certified EHR technology in a meaningful way such as e-prescribing (Stage 1)
- Certified EHR is connected to allow for electronic exchange (Stage 2)
- Technology must allow for submission of clinical quality measures in approved format (Stage 3)

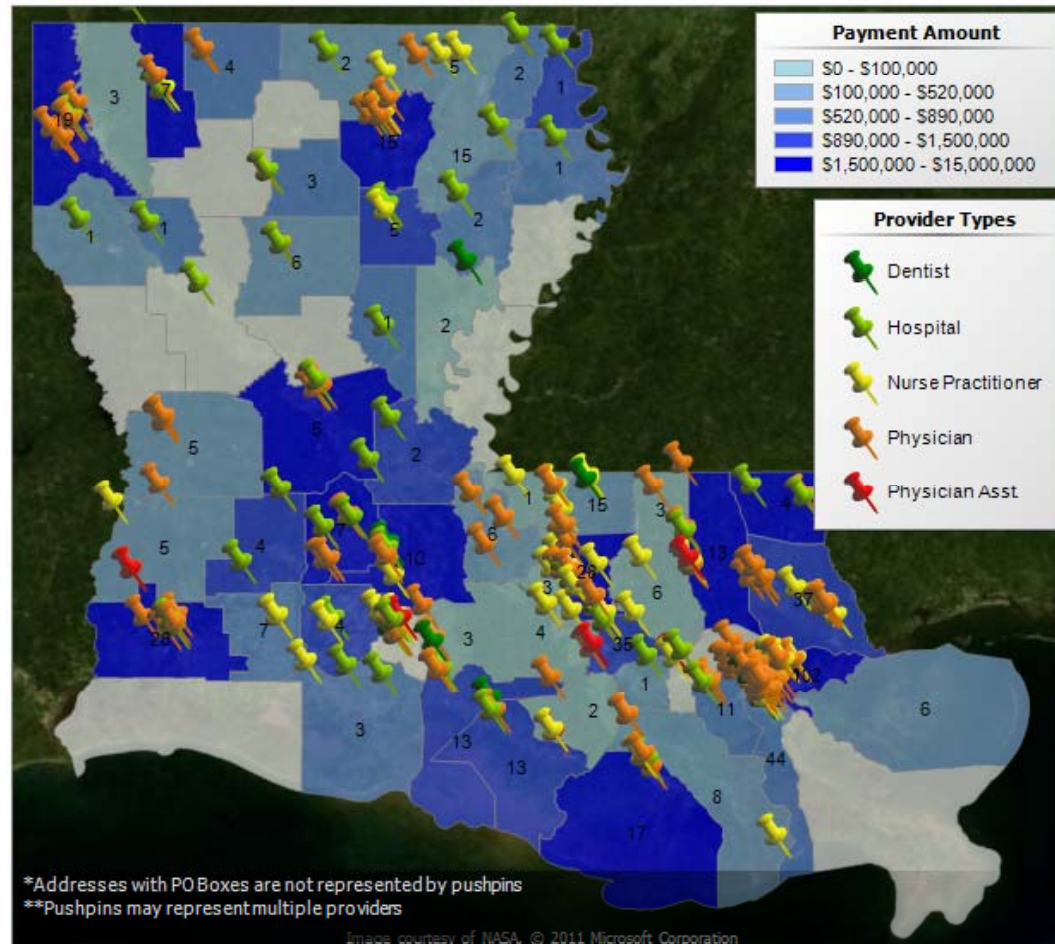
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LOUISIANA'S EXPERIENCE

Accomplishments

1. 1st state to have an approved I-APD.
2. Went live on January 3rd, 2011
3. 1st state to make an incentive payment to an FQHC.
4. 4th State to make an incentive payment.
5. Have paid out **more than \$70 million** in incentives with minimal staff support and significantly under budget.

Payments Made



Last Refresh: 10/31/2011

Payments

Provider Type	# of Providers	Payment Amount
Hospital	57 (10.3%)	\$63,936,207 (86.1%)
Physician	327 (58.8%)	\$6,736,251 (9.1%)
Nurse Practitioner	134 (24.1%)	\$2,783,750 (3.7%)
Dentist	25 (4.5%)	\$510,000 (0.7%)
Physician Asst.	13 (2.3%)	\$276,250 (0.4%)
TOTAL:	556	\$74,242,458

Last Refresh: 10/31/2011

Why adopt EHRs?

- Studies have estimated that up to 100,000 avoidable medical errors, such as dispensing improper medication, mislabeling test results or misreading handwritten treatment instructions, occur each year.
- EHRs are a central component of any HIE because they help medical professionals share information about patients easily, and allow them to spend less time filling out paperwork and more time providing care.
- Prior to the ARRA program, only 38% of physician reported having an EHR and only 4% reported using a fully functional EHR.
- US is far behind other countries. Estimates of ambulatory EHR use in Austria, Belgium and Australia are 75%, 78% and 79-90% respectively while Denmark, England, Finland, the Netherlands and New Zealand have reported rates above 90%.

Source: *Health information technology in the United States: Where we stand, 2008*. Robert Wood Johnson Foundation, 2008.

Challenges

- Budget constraints continue to exert pressure on administration to reduce staff to implement program
- Stage 2 meaningful use has been delayed
- Provider education and outreach
- While the list of certified products continues to grow, there is still only one certified behavioral health product and one certified dental product