



CAH Method II Physician Participation in the Medicare EHR Incentive Program Fact Sheet December 2013

CAH II Physicians Now Eligible for the Medicare EHR Incentive Program

On November 27, 2013, CMS issued a [ruling](#) that confirmed physicians who assign their reimbursement and billing to a Critical Access Hospital (CAH) under Method II (CAH IIs) are now eligible to participate in the Medicare Electronic Health Record (EHR) Incentive Program as eligible professionals (EPs).

In order for CAH II physicians to participate, CMS implemented system changes with Transmittal 1046, Change request 7578, released February 17, 2012, to capture the line level National Provider Identifier (NPI). This ensures that claims are tied to the specific services rendered. If a provider submits a combined claim (a claim that includes both facility and professional components), he or she must report the NPI(s) of the rendering physician at the line level. This applies only if the rendering physician/practitioner NPI differs from the rendering physician/practitioner reported at the claim level. CMS must have valid NPIs for use in data analysis and in determining the rendering physician/practitioner for each outpatient service billed to Medicare. The use of valid NPIs is critical in associating physician/practitioner identifying information with each line item of an institutional claim. CAH II providers shall NOT report their facility NPI in any physician NPI field on the claim form.

CAH II providers must bill valid NPIs for their physicians to ensure the allowed amounts of their physicians' services are used in EHR incentive calculations. Invalid NPIs reported on a CAH II claim will prevent the allowed amount for any applicable services to be sent to the EHR incentive calculations and the service line to be counted toward hospital-based determination. Therefore, CAH II providers must ensure valid NPIs are billed so this will not negatively impact the CAH II physician services for EHR.

Incentive Payments Begin in 2014

CAH II physicians can begin participation in calendar year (CY) 2013. However, due to the time required to implement the system changes, they will not be able to submit attestations until January 2014.

CAH II physicians will need to [register and attest](#) to demonstrating [meaningful use](#) of [certified EHR technology](#) in order to receive their incentive payment. All EPs, including CAH II physicians, in their first year of participation must start by demonstrating Stage 1 of meaningful use. The stages of meaningful use progress as the program continues.

CAH II physicians who begin participation in CY 2013 will be eligible to earn a maximum Medicare EHR incentive payment of up to \$38,220.

Payment Adjustments

Like all other EPs and eligible hospitals, physicians who assign their billing to CAH Method II are subject by law to payment adjustments should they fail to demonstrate meaningful use on an annual basis, beginning in 2015.

Reassigning Payments to CAHs

If a provider would like to qualify for an EHR incentive payment and is reassigned to a CAH, this information may be verified through PECOS once an 855R form is submitted for an enrolled provider/supplier. If the provider is not currently enrolled, 855I and 855R forms must be submitted and processed.

CMS is now accepting these forms for reassignment of payments to CAHs. Medicare may pay: (1) a physician or other supplier's employer if the supplier is required, as a condition of employment, to turn over to the employer the fees for his or her services; or (2) an entity (i.e., a person, group, or facility) that is enrolled in the Medicare program for services furnished by a physician or other supplier under a contractual arrangement with that entity. This means that Part A and Part B entities other than physician/practitioner group practices can receive reassigned benefits, assuming the requirements for a reassignment exception are met and that the reassignee meets all enrollment requirements.

Resources and Additional Information

For more information, visit the [EHR Incentive Programs website](#). CMS has also developed several resources to help EPs participate in the EHR Incentive Programs, including:

- [Introduction to the Medicare EHR Incentive Program for Eligible Professionals](#)—Helps EPs navigate the Medicare EHR Incentive Programs by providing a step-by-step overview of how to participate.
- [Stage 1 Specification Sheets for EPs](#)—Explain the criteria for each core and menu measure in Stage 1 of meaningful use.
- [EHR Incentive Programs Listserv](#)—Provides the latest program updates, including information about program milestones, new materials, and upcoming conferences at events.
- [Fact Sheet on CMS Rule on Outpatient Department and Ambulatory Surgical Center Policy and Payment Changes for 2014](#)—Provides policy information on CAH II physician participation.

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