

# 2017 Medicare Electronic Health Record (EHR) Incentive Program Payment Adjustment Fact Sheet For Eligible Professionals

Last Updated: October 2017

## Overview of the Program

As part of the American Recovery and Reinvestment Act of 2009 (ARRA), Congress established payment adjustments under Medicare for eligible professionals who are not meaningful users of Certified Electronic Health Record (EHR) Technology. An eligible professional (EP) who does not demonstrate meaningful use successfully for an EHR reporting period associated with a payment adjustment year will receive reduced Medicare payments for that year. The Medicare payment adjustments began on January 1, 2015 for EPs and sunset in 2018 per the Medicare Access and CHIP Reauthorization Act of 2015 (MACRA).

If an EP is eligible to participate in the Medicare EHR Incentive Program, he or she must demonstrate meaningful use successfully in either the Medicare EHR Incentive Program or in the Medicaid EHR Incentive Program to avoid a Medicare payment adjustment. Medicaid EPs who do not furnish covered professional services under Medicare are not subject to these payment adjustments.

## CY 2017 EHR Eligible Professional Payment Adjustment

The EHR Incentive Program downward payment adjustment began to apply to Medicare Physician Fee Schedule (MPFS) payments for covered professional services furnished January 1, 2015 through December 31, 2015. The payment adjustment amount is established by statute for a specific calendar year (i.e., an EP who did not demonstrate meaningful use successfully for an applicable EHR reporting period in 2015 will receive a reduction in his or her MPFS payments for covered professional services in CY 2017). The table below illustrates the application of the reduced MPFS amount.

## Payment Adjustment Background

- Section 1848(a)(7) of the Act provides for payment adjustments, effective for CY 2015 and subsequent years, for EPs who are not meaningful EHR users during the relevant EHR reporting period for the year.
- Section 101(b)(1)(A) of MACRA amended section 1848(a)(7)(A) of the Act to sunset the meaningful use payment adjustment for EPs at the end of CY 2018.
- Section 1848(a)(5) of the Act in 2014 subjects EPs who received the e-prescribing downward adjustment to the EHR downward adjustment under 1848(a)(7) of the Act in 2015



to receive an additional 1.0% EHR downward adjustment for 2015 only. This will result in those EPs receiving 98% of the MPFS amount that would otherwise apply to such services during 2015.

EP is not subject to the payment adjustment for e prescribing in 2014	2015	2016	2017	2018
% Decrease of the MPFS amount	99%	98%	97%	97%

EP is subject to the payment adjustment for e prescribing in 2014	2015	2016	2017	2018
% Decrease of the MPFS amount	99%	98%	97%	97%

### CY 2017 EHR Exceptions Process for EPs

EPs may apply for significant hardship exceptions to avoid the payment adjustments described above.

Information on hardship exception categories for decertification of CEHRT and Eligible Professionals Transitioning to MIPS and how to apply is posted on the CMS EHR Incentive Programs website ([https://www.cms.gov/Regulations-and-Guidance/Legislation/EHRIncentivePrograms/PaymentAdj\\_Hardship.html](https://www.cms.gov/Regulations-and-Guidance/Legislation/EHRIncentivePrograms/PaymentAdj_Hardship.html)).

### CY 2017 EHR Incentive Program and Payment Adjustments

EP must demonstrate meaningful use every year according to the timelines detailed above in order to avoid Medicare negative payment adjustments.

For more information about the Medicare and Medicaid EHR Incentive Program, please visit: <https://www.cms.gov/EHRIncentivePrograms>

## **2017 Performance Period and the Merit-based Incentive Payment System (MIPS) replacing EHR, PQRS and VBM programs**

The Medicare Access and CHIP Reauthorization Act of 2015 (MACRA) combines certain aspects of the existing Medicare EHR Incentive Program (EHR), Physician Quality Reporting System (PQRS), and Value-Based Payment Modifier (VBM) programs into the Merit-based Incentive Payment System (MIPS), starting with the CY 2017 MIPS performance period. MIPS payment adjustments are applied to Medicare Part B payments for items and services furnished two years after the performance period, with CY 2019 being the payment adjustment year for the CY 2017 performance period.

For more information on MIPS, visit: <http://qpp.cms.gov>.

