

PAYMENT ADJUSTMENT AND HARDSHIP INFORMATION TIPSHEET FOR HOSPITALS PARTICIPATING IN THE MEDICARE PROMOTING INTEROPERABILITY PROGRAM

Under the Medicare Promoting Interoperability Program for performance year 2021, the Centers for Medicare & Medicaid Services (CMS) required all eligible hospitals and critical access hospitals (CAHs) to use the 2015 Edition of certified electronic health record technology (CEHRT) to avoid a downward payment adjustment.

Eligible hospitals and CAHs may be exempt from the Medicare downward payment adjustment if they can show – through an application process – that compliance with the requirement for being a meaningful EHR user would result in a significant hardship. If approved, the hardship exception would be valid for one payment adjustment year.

The timeline below shows the EHR reporting period, attestation deadline, and hardship exception application submission deadline for eligible hospitals and CAHs demonstrating meaningful use to avoid a downward payment adjustment for the applicable performance year:

Performance Year	EHR Reporting Period	Attestation Deadline
2021	January 1, 2021 – December 31, 2021 (any continuous 90 days)	March 31, 2022
2022	January 1, 2022 – December 31, 2022 (any continuous 90 days)	February 28, 2023

How does a hospital or CAH demonstrate meaningful use to avoid a downward payment adjustment?

For the Medicare Promoting Interoperability Program, eligible hospitals and CAHs must demonstrate meaningful use by attesting successfully using the [QualityNet](#).



Does a hospital have to achieve meaningful use each year to avoid the downward payment adjustments or can it avoid the downward payment adjustments by achieving meaningful use only once?

Eligible hospitals and CAHs must demonstrate meaningful use for an EHR reporting period every year to avoid a downward payment adjustment.

How are payment adjustments applied?

If an eligible hospital does not demonstrate meaningful use, the payment adjustment is applied as a reduction to the applicable percentage increase to the Inpatient Perspective Payment System payment rate for one year.

If a CAH does not demonstrate meaningful use, its Medicare reimbursement will be reduced from 101 percent of its reasonable costs to 100 percent for that year.

Hardship Exceptions

Hardship exceptions are granted on a case-by-case basis and only if CMS determines that requiring an eligible hospital or CAH to be a meaningful EHR user would result in a significant hardship. The table below outlines the payment adjustment years and hardship exception application deadlines, starting from FY 2021.

Performance Year	Provider Type	Hardship Exception Application Deadline <i>(dates are subject to change)</i>	Payment Adjustment Year
2021	Eligible Hospital	September 1, 2022	2023
	CAHs	September 1, 2022	2021
2022	Eligible Hospital	September 1, 2023	2024
	CAHs	September 1, 2023	2022

Note: eligible hospitals and CAHs must submit a new application every year and by law an eligible hospital or CAH may not be granted an exception for more than five years.

For more information on payment adjustments and hardships, visit the [Scoring, Payment Adjustment, and Hardship Information](#) webpage.