

Payment Adjustment and Hardship Information Tipsheet for Hospitals Participating in the Medicare Promoting Interoperability Program

Under the Medicare Promoting Interoperability Program, the Centers for Medicare & Medicaid Services (CMS) requires that all eligible hospitals and critical access hospitals (CAHs) 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 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. For more information on payment adjustments and hardships, visit the [Scoring, Payment Adjustment, and Hardship Information](#) webpage.

How does a hospital demonstrate meaningful use in order 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 Secure Portal](#). For more information on the QualityNet Secure Portal review this [user guide](#).

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?

Yes. Eligible hospitals and CAHs must demonstrate meaningful use for an EHR reporting period every year in order to avoid Medicare downward payment adjustments.

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 (IPPS) payment rate.

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

The EHR reporting period is a minimum of any continuous 90-day period. All eligible hospitals and CAHs are required to use 2015 Edition CEHRT to successfully demonstrate meaningful use unless they are approved for a hardship exception.

Hardship Exceptions

Eligible hospitals and CAHs may apply for hardship exceptions, if applicable, to avoid downward payment adjustments.

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.

Eligible hospitals and CAHs must submit a new application every year and in no case may an eligible hospital or CAH be granted an exception for more than 5 years.

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 fiscal year:

Participation Year	EHR Reporting Period	Attestation Deadline	Hardship Exception Application Deadline*
2020	January 1, 2020 – December 31, 2020 (any continuous 90 days)	April 1, 2021	Hospitals: July 1, 2021 CAHs: September 30, 2021
2021	January 1, 2021 – December 31, 2021 (any continuous 90 days)	February 28, 2022	Hospitals: July 1, 2022 CAHs: September 30, 2022

**Dates are subject to change*