

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

As part of the American Recovery and Reinvestment Act of 2009 (ARRA), Congress established downward payment adjustments under Medicare for eligible hospitals and critical access hospitals (CAHs) that are not meaningful users of certified electronic health record technology (CEHRT). Eligible hospitals and CAHs that do not demonstrate meaningful use successfully for an EHR reporting period associated with a payment adjustment year will receive reduced Medicare payments for that year.

There are no downward payment adjustments under Medicaid for eligible hospitals. Health care providers that are eligible for an incentive payment only under Medicaid must adhere to the requirements of their state's Medicaid Promoting Interoperability Program and attest directly to their state. Visit the [2020 Promoting Interoperability Medicaid](#) webpage for more information.

## **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?**

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 in 2020 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. For more information on this requirement, please visit the Scoring, Payment Adjustment, and Hardship Information webpage and the 2015 Edition CEHRT [fact sheet](#).

### 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 need to 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*                |
|--------------------|---|----------------------|---|
| 2019               | January 1, 2019 – December 31, 2019<br>(any continuous 90 days) | February 28, 2020    | Hospitals: September 1, 2020<br>CAHs: November 30, 2020 |
| 2020               | January 1, 2020 – December 31, 2020<br>(any continuous 90 days) | February 26, 2021    | Hospitals: July 1, 2021<br>CAHs: November 30, 2021      |

*\*Dates are subject to change*