

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard
Baltimore, Maryland 21244-1850



CENTER FOR MEDICARE

DATE: September 29, 2010

TO: All Medicare Advantage Organizations

FROM: Cheri Rice /s/
Acting Director, Medicare Plan Payment Group

SUBJECT: Electronic Health Record Incentive Program and Medicare Advantage Organizations

The purpose of this memorandum is to request expressions of interest from Medicare Advantage (MA) organizations that expect to participate in the Electronic Health Record (EHR) incentive payment program.

On July 28, 2010, CMS published a final rule which implements provisions of the American Recovery and Reinvestment Act of 2009 (ARRA) (Pub. L. 111-5) that provide for incentive payments for eligible professionals (EPs), eligible hospitals and critical access hospitals (CAHs) participating in the Medicare and Medicaid programs that adopt and meaningfully use certified EHR technology. Section 4101(c) of subtitle D of the Health Information Technology for Economic and Clinical Health Act (HITECH Act), enacted as part of the ARRA, specifies that qualifying MA organizations may also qualify for incentive payments on behalf of MA affiliated EPs and hospitals that meaningfully use EHR technology and meet certain other requirements.

To qualify for these incentive payments a MA organization must be a State-licensed HMO, or regulated for solvency under State law in the same manner and to the same extent as an HMO. A qualifying MA organization may receive an incentive payment only for qualifying MA EPs. A qualifying MA EP is a physician who is employed by a qualifying MA organization, or who is employed by, or is a partner of, an entity that through a contract with the qualifying MA organization furnishes at least 80 percent of the entity's Medicare patient care services to enrollees of the qualifying MA organization. The MA EP must furthermore furnish at least 80 percent of his/her professional services to enrollees of the organization and must furnish, on average, at least 20 hours per week of patient care services. Further, a qualifying MA organization may receive an incentive payment for a qualifying MA-affiliated eligible hospital that is a meaningful user of certified EHR technology. MA-affiliated eligible hospitals must be under common corporate governance with a qualifying MA organization and must serve individuals enrolled under MA plans offered by the MA organization where less than one-third are Medicare individuals covered under Part A of Medicare. Please review the regulation for a complete discussion of these requirements.

If your organization expects to take part in the MA HITECH EHR incentive payment program, we ask that you notify CMS in writing of your interest in participating by close of business on October 25, 2010. Your letter should fully describe how you believe your MA organization qualifies for MA

organization EHR incentive payments. Please indicate in the letter the number of MA EPs and MA-affiliated eligible hospitals you anticipate to report for the 2011 payment year.

Please send all letters of intent to Christopher Eisenberg at Christopher.eisenberg@cms.hhs.gov with a copy to Matthew Guerand (Matthew.Guerand@cms.hhs.gov).

If you have questions regarding the MA HITECH EHR incentive payment program, please contact Andrea Hamilton at 410-786-7702 (Andrea.Hamilton@cms.hhs.gov) or Matthew Guerand at 410-786-1450 (Matthew.Guerand@cms.hhs.gov).