



# Medicare Electronic Health Record Incentive Payments for Eligible Professionals



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The Medicare Electronic Health Record (EHR) Incentive Program provides for incentive payments to Medicare eligible professionals (EPs) who are meaningful users of certified EHR technology. Under the Medicare EHR Incentive Program, an eligible professional is defined as one of the following five types of professionals:

1. Doctor of medicine or osteopathy
2. Doctor of oral surgery or dental medicine
3. Doctor of podiatric medicine
4. Doctor of optometry
5. Chiropractor

These professionals are eligible for incentive payments for the “meaningful use” of certified EHR technology, if all program requirements are met. Hospital-based EPs are not eligible to participate in the Medicare EHR Incentive Program. An EP is considered to be hospital-based if the EP furnishes 90 percent of his or her services in a hospital inpatient or emergency room setting.

EPs may not receive EHR incentive payments from both the Medicare and Medicaid EHR Incentive Programs in the same year. In the event an EP qualifies for EHR incentive payments from both the Medicare and Medicaid programs, the EP must elect to receive payments from only one program.

After an EP qualifies for an EHR incentive payment under one program but before 2015, an EP may switch between the Medicare and Medicaid programs one time. Upon switching programs, the EP will be placed in the payment year the EP would have been in had the EP not switched programs.

For example, if an EP decides to switch after attesting to meaningful use of certified EHR technology for a Medicare EHR incentive payment for the second payment year, then the EP would be in the third payment year for purposes of the Medicaid incentive payments.

## Participation in Other CMS Incentive Programs

An EP who participates in the Medicare EHR Incentive Program may also participate in the Physician Quality Reporting System (PQRS). However, if an EP elects to receive an EHR incentive payment through the Medicare program, the EP is not eligible to receive an incentive payment through the Electronic Prescribing (eRx) Incentive Program. On the contrary, EPs who receive an EHR payment through the Medicaid Program are eligible to also receive an incentive payment through the eRx incentive program provided they meet all the requirements of the eRx program.

EPs who were successful e-prescribers in 2011 and 2012 were eligible to earn an incentive payment equal to 1.0 percent of allowed charges, but this incentive payment is no longer available. However, EPs may still be subject

to payment adjustments under the eRx Incentive Program. For more information, please refer to the [eRx Incentive Program website](#).

## Fee-for-Service Medicare Incentive Payment

### ***Incentive Payment - Calculation***

Under Medicare, the EHR incentive payment amount, subject to an annual limit, is equal to 75 percent of an EP's Medicare physician fee schedule allowed charges submitted not later than 2 months after the end of the calendar year. This means that, for 2011, the EHR incentive payment for an EP would be, subject to an annual limit, equal to 75 percent of the EP's Medicare physician fee schedule allowed charges for CY 2011, based on claims for services performed by the EP from January 1, 2011 through December 31, 2011, and submitted to the EP's Medicare contractor (MAC/carrier) no later than February 29, 2012.

### ***Incentive Payment - Time Frame***

EPs can begin receiving incentive payments in any calendar year (CY) from 2011 to 2014. EPs may receive Medicare incentive payments for up to five years, depending on the year in which the EP first becomes a meaningful user of certified EHR technology.

Medicare EPs who successfully demonstrate meaningful use and receive a Medicare EHR incentive payment in the first or second year of the incentive program (2011 or 2012) may qualify to receive payments for the full five years. However, Medicare EPs who first successfully demonstrate meaningful use for 2013 can only receive incentive payments for four years and will receive less than the maximum possible incentive payment. Accordingly EPs who start participating in 2014 can only receive incentive payments for three years and will also receive less than the maximum incentive payment possible. An EP who first successfully demonstrates meaningful use of certified EHR technology for 2015 will not qualify for any Medicare EHR incentive payments. In addition, starting in 2015, an EP who does not successfully demonstrate meaningful use of certified EHR technology use will be subject to reduced physician fee schedule payments.

Medicare EHR incentive payments will be made on a rolling basis after CMS has ascertained that the EP met meaningful use for the reporting period and the EP has met the maximum allowable charges threshold. In the event that the EP does not meet the maximum allowed charges threshold by the end of the calendar year, payment will be made following the deadline to submit claims for the period.

### ***Incentive Program - Annual Limits***

EPs who successfully demonstrate meaningful use of certified EHR technology during the relevant EHR reporting period may be eligible for an incentive payment amount, subject to an annual limit, equal to 75 percent of the EP's Medicare allowed charges submitted not later than two months after the end of the calendar year. Table 1 illustrates the maximum incentive payments an EP can receive by year and the total incentive payments possible if an EP successfully demonstrates meaningful use and qualifies for an incentive payment each year. As shown, the total amount of the incentive payment an EP can receive is dependent in part on the year in which the EP successfully demonstrates meaningful use.

**Table 1: Maximum Incentive Payments Based on the First CY in Which an EP Demonstrates Meaningful Use**

Calendar Year	<i>Maximum Incentive Payments Based on the First CY in Which an EP Participates in the Program</i>			
	2011	2012	2013	2014
2011	\$18,000			
2012	\$12,000	\$18,000		
2013	\$8,000	\$12,000	\$15,000	
2014	\$4,000	\$8,000	\$12,000	\$12,000
2015	\$2,000	\$4,000	\$8,000	\$8,000
2016		\$2,000	\$4,000	\$4,000
<b>Total</b>	<b>\$44,000</b>	<b>\$44,000</b>	<b>\$39,000</b>	<b>\$24,000</b>

**Health Professional Shortage Area**

For EPs who predominantly furnish more than 50 percent of services in an area that is designated by the Secretary (under section 332(a)(1)(A) of the PHS Act) as a geographic health professional shortage area (HPSA), the amount of the Medicare EHR incentive payment limit for each payment year will be increased by 10 percent. EPs who predominantly furnish services in an HPSA who do not accrue the maximum allowed charges will be paid according to the statutory formula at 75 percent of the allowed charges.

Table 2 shows the maximum incentive payments for EPs who qualify for the higher HPSA limit.

**Table 2: Maximum Incentive Payments for an EP Who Qualifies for a HPSA Bonus Payment Based on the First CY in Which the EP Demonstrates Meaningful Use**

Calendar Year	<i>Maximum Incentive Payments for an EP Who Qualifies for a HPSA Bonus Payment Based on the First CY in Which the EP Participates in the Program</i>			
	2011	2012	2013	2014
2011	\$19,800			
2012	\$13,200	\$19,800		
2013	\$8,800	\$13,200	\$16,500	
2014	\$4,400	\$8,800	\$13,200	\$13,200
2015	\$2,200	\$4,400	\$8,800	\$8,800
2016		\$2,200	\$4,400	\$4,400
<b>Total</b>	<b>\$48,400</b> <b>(\$4,400</b> <b>increase)</b>	<b>\$48,400</b> <b>(\$4,400</b> <b>increase)</b>	<b>\$42,900</b> <b>(\$3,900</b> <b>increase)</b>	<b>\$26,400</b> <b>(\$2,400</b> <b>increase)</b>

**Payment Adjustments Beginning in 2015**

If an EP does not successfully demonstrate meaningful use of certified EHR technology, the EP’s Medicare physician fee schedule amount for covered professional services will be subject to a payment adjustment. The payment adjustments will be as follows:

- 2015—99 percent of Medicare physician fee schedule covered amount
- 2016—98 percent of Medicare physician fee schedule covered amount

- 2017 and each subsequent year—97 percent of Medicare physician fee schedule covered amount

If it is determined that for 2018 and subsequent years that less than 75 percent of EPs are meaningful users then the payment adjustment will change by one percentage point each year until the payment adjustment reaches 95 percent.

For more information about Medicare payment adjustments for EPs under the EHR Incentive Programs, please refer to the [Payment Adjustments & Hardship Exceptions Tipsheet](#).

## Medicare Advantage (MA) Incentive Payments

The Medicare EHR Incentive Program also provides for incentive payments to qualifying MA organizations (MAO) for their affiliated EPs who are meaningful users of certified EHR technology. Specifically an MA EP must either:

- Furnish, on average, at least 20 hours/week of patient-care services and be employed by the qualifying MAO

*Or*

- Be employed by, or be a partner of, an entity that through contract with the qualifying MAO furnishes at least 80 percent of the entity’s Medicare patient care services to enrollees of the qualifying MAO.

If an MA EP meets these guidelines and the MAO can attest that the MA EP is a meaningful user of certified HER technology the MAO can receive an incentive payment in accordance with Table 3. MA organizations are not eligible for incentive payments for hospital based EPs.

**Table 3: Maximum Incentive Payments Based on the First CY the MAO EP Demonstrates Meaningful Use**

Calendar Year	<i>Maximum Incentive Payments Based on the First CY in which the MAO EP Participates in the Program</i>			
	2011	2012	2013	2014
2011	\$18,000			
2012	\$12,000	\$18,000		
2013	\$8,000	\$12,000	\$15,000	
2014	\$4,000	\$8,000	\$12,000	\$12,000
2015	\$2,000	\$4,000	\$8,000	\$8,000
2016		\$2,000	\$4,000	\$4,000
<b>Total</b>	<b>\$44,000</b>	<b>\$44,000</b>	<b>\$39,000</b>	<b>\$24,000</b>

Duplicate payments may not be made for EPs eligible for both the Medicare EHR incentive payment and the MA EHR incentive payment. If an EP is eligible to receive an EHR incentive payment from both the Medicare and MA programs, the Medicare payment will be made first but only if it is for the maximum amount due for that payment year.

Therefore, before a payment can be made to a qualifying MAO for an EP, CMS will determine if that EP has already been paid the maximum for that year through the Medicare Program. If the EP received the maximum incentive payment available for that payment year from the Medicare Program then the MAO would not be

eligible to receive an MA incentive payment for that EP for that payment year.

If, however, the EP did not receive the maximum possible EHR incentive payment for the payment year, then the MAO will receive the incentive payment solely through the MA EHR Incentive Program.

## Additional Resources

For more information on the EHR Incentive Programs, see the [EHR Incentive Programs website](#).