



Frequently Asked Questions on the
Medicare and Medicaid Funding Available in the
American Recovery & Reinvestment Act of 2009
April 21, 2009

Q: Where can I find the actual ARRA legislation?

A: <http://www.thomas.gov/home/approp/app09.html#h1>

Q: What funding is available for a hospital?

A: Beginning in FY11, Medicare incentive payments are available for hospitals demonstrating meaningful use. Based upon written Senate sources, HIMSS believes the Medicaid incentives will become active in 2011. And, ONC will be making grants to States to set up Loan Funds. These funds can be used by States to make loans to hospitals to purchase certified EHR technology. Please access Section 4102 and 4201 of the [HIMSS analysis](#), which is available as a benefit of membership.

Q: What funding is available for non-hospital based clinicians?

A: Beginning in 2011, Medicare incentive payments are available for physicians, and Medicaid incentive payments are available for clinicians, demonstrating meaningful use. And, ONC will be making grants to States to set up Loan Funds. These funds can be used by States to make loans to non-hospital-based clinicians to purchase certified EHR technology. Please access Sections 4101 and 4201 of the [HIMSS analysis](#), and the appendices, both of which are available as a benefit of membership.

Q: Are the physician incentives designed for each physician in a practice or for the practice itself?

A: Each physician.

Q: What types of clinicians are eligible for Medicaid incentive funding?

A: Physicians, dentists, certified nurse midwives, and physician assistants practicing in rural health clinics or Federally-qualified health centers led by a physician assistant

Q: Are non-hospital-based clinicians with few to no Medicare/Medicaid patients eligible for the incentive payments?

A: No

Q: When do the incentive payments become effective?

A: Based upon written Senate sources, HIMSS believes the Medicaid incentive payments will become available in 2011. Regarding Medicare, incentive payments become available in FY11 (October, 2010) for hospitals, and 2011 (January, 2011) for non-hospital-based physicians.

Q: To be eligible for funding, what EHR functionality must a hospital have in place?

A: Hospitals must be able to demonstrate meaningful use of a qualified EHR that is certified to meeting standards pursuant to ARRA and includes patient demographic and clinical health information, such as medical history and problem lists, and has the capacity to provide clinical decision support to support physician order entry, to capture and query information relevant to healthcare quality, and to exchange electronic health information with, and integrate such information from other sources. There are two similar, but not identical, definitions of meaningful use; one each for Medicare and Medicaid.

For Medicare Incentives (Section 4102):

- Using certified EHR technology (see definition above); and,
- To the satisfaction of the Secretary of HHS, demonstrating that the certified EHR technology is connected in a manner that provides, in accordance with law and standards applicable to the exchange of information, for the e-exchange of health information to improve the quality of health care, such as care coordination; and,
- The hospital submits information, in a manner and form specified by the Secretary, on such clinical quality measures and such other measures as selected by the Secretary.

For Medicaid Funding (Section 4201):

- The definition must be established through a means that is approved by the State and acceptable to the Secretary of HHS. As a further step, the definition must be in alignment with the one used for Medicare (see above).

Q: Will those criteria remain in effect throughout the funding period?

A: To be determined. Congress has directed the Secretary to make the requirements increasing stringent. The specifics will be determined during the regulatory process.

Q: Does it cost money to get my home-grown system certified?

A: CCHIT has a certification program for such systems. Please visit [their website](#) for more information.

Q: Is there a listing of qualified EHRs?

A: No, not at this time.

Q: How many hospitals and physicians practices today could qualify for the incentive payments?

A: We don't know. To develop an answer, we would need several pieces of data, including the specific requirements imposed by the Secretary of HHS.

Q: Are Federally Qualified Health Centers eligible for incentives?

A: Yes, under Medicaid. Please access Sections 4201 of the [HIMSS analysis](#), which is available as a benefit of membership.

Q: Does the coverage include radiologists, anesthesiologists, and other physicians often associated with hospital-based employment?

A: Yes, if they are non hospital-based.

Q: Is there any funding for vendors to develop EHR systems and/or to help providers demonstrate meaningful use?

A: No.

Q: Is there a calculator I can use to estimate how much funding my hospital might be eligible for?

A: Yes. On the [HIMSS website](#), there are two calculators for Medicare incentive payments – one for critical access hospitals, and a second for non-critical-access hospitals. These are available as a benefit of HIMSS membership.

Q: Are Nursing homes, skilled nursing centers, hospice, rehabilitation centers, mental health facilities, and home health centers eligible for incentive payments?

A: No. Only hospitals identified as subsection D according the Social Security Act are eligible.

Q: Will physicians, clinicians, and hospitals who can demonstrate meaningful use of EHR technology in 2009 or 2010 be eligible for the incentive payments?

A: Yes.

Q: Can physicians receive both Medicare and Medicaid incentive payments?

A: No. Title IV, Section 4201 (Medicaid Funding) of the Act implies that physicians must choose one or the other. Specifically, the Act states in regards to “eligible professionals”: “the Secretary shall ensure coordination of payment with respect to such providers under sections 1848(o) and 1853(l) and under this subsection to assure no duplication of funding. Such coordination shall include, to the extent practicable, a data matching process between State Medicaid agencies and the Centers for Medicare & Medicaid Services using national provider identifiers. For such purposes, the Secretary may require the submission of such data relating to payments to such Medicaid providers as the Secretary may specify.”

Q: Can hospitals receive both Medicare and Medicaid incentive payments?

A: Unlike in Title IV, Section 4201 of the Act, the legislation is silent on whether or not hospitals can receive both Medicare and Medicaid incentive payments. We will learn additional information after HHS determines and makes available information regarding incentive payments.

Q: How do the incentives work for physicians or hospitals who are part of a qualified Medicare Advantage organization?

A: Please access Section 4101 and 4102 of the [HIMSS analysis](#), which is available as a benefit of membership. The analysis provides definitions of Medicare Advantage organizations, and the payment structures.

Q: If I install an EHR technology this year and can demonstrate meaningful use, will that position me for the best incentives?

A: Yes. Such action will maximize your incentive payment opportunity.

Q: What about Childrens' hospitals? Are they eligible for the incentive payments?

A: Yes. Children's hospitals are included in the Medicaid incentive programs. Childrens' hospitals are not a subsection D hospital under the Social Security Act, so according to ARRA, are not eligible for the Medicare incentive program.

Q: How does ARRA impact the abilities under Stark regulations for hospitals to offer EHR technologies to physician practices?

A: HIMSS notes that HHS published rules in August 2006 providing an exception under the physician self-referral prohibition law (Stark). Under Stark an EHR would qualify for the donation if a certifying body has certified the EHR no more than 12 months before transfer to the physician office. HIMSS anticipates that the HHS Secretary will need to clarify the Stark impact on these incentives.

Q: Are small rural hospitals with less than 1,150 discharges per year eligible for incentive payments?

A: A hospital cannot include the first 1,149 discharges in determining the potential Medicare payment.

Q: Does the volume of per-physician Medicare charges impact the Medicare incentive payments for non-hospital-based physicians?

A: Yes. For a certain period of time, physicians have the ability to charge Medicare an additional 75% per claim when they can demonstrate meaningful use of EHR technology. Please access Sections 4101 of the [HIMSS analysis](#), and the appendices, both of which are available as a benefit of membership.

Q: What about the specifics of all these requirements? For example, what quality measures will the Secretary require?

A: That will be established in the regulatory activity. HIMSS will engage in public comment opportunities.

Q: Does "certified" mean those EHR technologies certified by CCHIT?

A: [CCHIT](#) is not named in the legislation. However, the Secretary is directed by Congress to recognize an existing certifying body.

Q: What happens if your EHR vendor loses its certification over this time period?

HIMSS ARRA Funding FAQ

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A: Then you can no longer demonstrate meaningful use.

Q: How do the incentives work for hospital-owned physician clinics?

A: The legislation does not disqualify eligible professionals from receiving incentive payments under Medicare merely on the basis of some association or business relationship with a hospital. The determination regarding eligibility for a professionals will be based on the setting in which a provider furnishes services, rather than any billing or employment arrangement between a provider and hospital or other provider entity. This is a complex area and one that HIMSS will be monitoring closely.

Q: Is there any funding available in ARRA that does not directly relate to EHR technologies?

A: Yes. There is significant funding. Please access the [HIMSS summary](#) of ARRA for the funding opportunities.

Q: For hospitals and physician practices that can already demonstrate meaningful use – but don't use certified EHR technologies be grandfathered in?

A: No. There is no provision for grandfathering systems.

Q: How will the Secretary of HHS measure meaningful use of EHR technologies?

A: The Secretary has six options to use in which to determine "a demonstration of meaningful use". The specifics will be worked out in the regulatory process.

Q: What happens if physicians/hospitals can't demonstrate meaningful use by 2015?

A: Starting in calendar 2015 for physicians, and FY15 for hospitals, CMS will begin to reduce Medicare Market Basket adjustments.