McKESSON

Empowering Healthcare

Meaningful Use of EHRs for the Eligible Professional

Solutions for Independent Practices

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Government Incentives for Providers to Drive EHR Adoption

The passage of the American Recovery and Reinvestment Act (ARRA) provides incentives for office-based physicians and other providers to tap into the power of electronic health records (EHRs). Providers may be eligible to benefit from the incentives, whether through first-time deployment of EHRs or completion of existing healthcare IT projects.

Incentive Overview

Eligible Professionals (EPs) can qualify under either the Medicare or Medicaid provision. EPs must be office-based to be eligible, and they cannot collect incentive payments from both provisions.

Medicare Provision

Beginning in 2011, EPs who are "meaningful users" of certified EHRs are entitled to receive up to $44,000 of total Medicare incentive payments over five years — from 2011 to 2015. The structure of the maximum incentives is shown in Table 1.

Table 1

Maximum Incentive Payments – Medicare

Payment Year	Adoption Year			
	Now - 2011	2012	2013	2014
2011	$18K	–	–	–
2012	$12K	$18K	–	–
2013	$8K	$12K	$15K	–
2014	$4K	$8K	$12K	$12K
2015	$2K	$4K	$8K	$8K
2016	–	$2K	$4K	$4K
Total	$44K	$44K	$39K	$24K
Shortage Area	$48.4K	$48.4K	$42.9K	$26.4K

Office-based physicians can qualify for a one-time, "early adopter" incentive of $3,000 if they qualify for the program in 2011 or 2012.

Incentives are based on the lesser of either 75% of the provider's Medicare Part B allowed charges (the lesser of the actual charge or the Medicare physician fee schedule amount) based on claims submitted to Medicare during the incentive payment year. And, physicians practicing in CMS-designated Physician Shortage Areas will earn an additional 10% bonus.

This program will be administered by CMS under the direction of the Secretary of the Department of Health and Human Services (HHS).

Medicaid Provision

Beginning in 2011, office-based physicians who qualify under the Medicaid provision could collect a sum total of $63,750 — calculated as 85% of EHR net average allowable cost not exceeding $25,000 in the first year, followed by 85% of annual costs not exceeding $10,000 over the next five years as shown in Table 2.

Table 2

Maximum Incentive Payments – Medicaid

Payment Year	Adoption Year	
	30% Provider 2011 - 2016	20% Pediatrician 2011 - 2016
Year 1	$21,250	$14,167
Year 2	$8,500	$5,667
Year 3	$8,500	$5,667
Year 4	$8,500	$5,667
Year 5	$8,500	$5,666
Year 6 (up to 2021)	$8,500	$5,666
Total	$63,750	$42,500

To be eligible under this provision, more than 30% of their patient encounters must be attributable to Medicaid, or 20% for pediatricians. Patient encounters will be determined by the encounters attributable to Medicaid (or "needy individuals" in an FQHC or RHC) over any continuous 90-day period within the most recent calendar year prior to the reporting year. Providers must begin adopting, implementing or upgrading a certified EHR system in the first year and demonstrate "meaningful use" beginning in the second year to receive the incentive payments. The States will administer the Medicaid program in their respective states.

Payment Reduction

For office-based physicians who do not adopt EHR technology by 2015, Medicare payments will be reduced by:

- 1% in 2015
- 2% in 2016
- 3% in 2017 and beyond

In 2018 and beyond, the HHS Secretary may increase one additional percent per year (maximum of 5%) contingent upon the levels of overall EHR adoption in the market.

To Qualify for the Incentive Funds, Eligible Professionals Must Prove Meaningful Use of a Certified EHR System

Eligible Professional

Under the Medicare provision, an EP is a physician as defined in the Social Security Act section 1861 to include:

- a doctor of medicine or osteopathy
- a doctor of dental surgery or of dental medicine
- a doctor of podiatric medicine
- a doctor of optometry
- a chiropractor

The Medicaid HIT Incentive program expands the definition of "eligible professional" to also include:

- a certified nurse mid-wife
- a nurse practitioner
- a physician assistant practicing in an FQHC or RHC that is led by a physician assistant

Providers participating in Medicare Advantage (MA) programs will qualify as an EP if they match one of two descriptions below:

1. Furnish, on average, at least 20 hours/week of patient-care services and are employed by the qualifying MA organization
2. Are employed by, or a partner of, an entity that through contract with the qualifying MA organization furnishes at least 80% of the entity's Medicare patient care services to enrollees of the qualifying MA organization

Hospital-based physicians who furnish "substantially all" of their services in a hospital are not eligible for the EP incentive, defined as providing at least 90% of their services in a hospital setting. CMS will use the place-of-service codes on physician claims – 21 (inpatient hospital) and 23 (emergency room; hospital) – to make this determination.

Meaningful Use

EPs will be eligible for the incentive payments if:

- they use a certified EHR technology in a meaningful manner
- the certified EHR is connected in a manner that provides for the electronic exchange of health information to improve the quality of care
- and in using the EHR, the provider submits information on clinical quality measures

The Stage 1 Meaningful Use criteria focused on the electronic capture of patient data were published in the Final Rule issued on July 28, 2010. Physicians must meet 15 Core and five of 10 Menu objectives (*see Tables 3 and 4, respectively*). Over time, EPs will be required to meet Stage 2 and Stage 3 criteria that will be released in future rule making and will focus on improved clinical processes and the decision support and quality measurement reporting and outcomes respectively.

Certified EHR system

Certification standards are aligned directly with the meaningful use criteria. Three authorized testing and certification bodies (ATCBs) have been named by the Office of the National Coordinator of Health IT. They are: the Certification Commission of Health Information Technology (CCHIT), The Drummond Group and InfoGard Laboratories, Inc. Providers must use an EHR solution that has been certified by one of these bodies under the guidelines of the HHS Certification program.

Registration and Reporting

Registration by providers for the EHR incentive program will open in January 2011. Registration for both Medicare and Medicaid programs will occur at an online location managed by CMS.

In the first reporting year, providers will need to prove meaningful use of required measures over any continuous 90-day period. In the subsequent years, the reporting period will be based on the full calendar year. For 2011, providers will report all measures through an attestation method through a web-based portal and will begin electronic reporting to CMS in 2012.

States can determine when their Medicaid programs will begin and are allowed to propose additional core meaningful use criteria that would be required of physicians to successfully participate in their Medicaid incentive program. Under the Medicaid program, providers are not required to prove meaningful use in the first year; instead they need to prove that they are in the process of adopting, implementing or upgrading certified EHR technology.

Incentives will be paid to providers in single, consolidated annual payments.

Providers Must Meet all 15 Core Objectives

Table 3: Core Objectives

Meaningful Use Stage 1 Core Objectives	Eligible Professional (EP) Objective Measures
Use CPOE for medication orders directly entered by any licensed healthcare professional who can enter orders into the medical record per state, local and professional guidelines	More than 30% of unique patients with at least one medication in their medication list seen by the EP have at least one medication order entered using CPOE
Implement drug-drug and drug-allergy interaction checks	The EP has enabled this functionality for the entire EHR reporting period
Generate and transmit permissible prescriptions electronically (eRx)	More than 40% of all permissible prescriptions written by the EP are transmitted electronically using certified EHR technology
Record demographics: preferred language, gender, race, ethnicity, date of birth	More than 50% of all unique patients seen by the EP have demographics recorded as structured data
Maintain an up-to-date problem list of current and active diagnoses	More than 80% of all unique patients seen by the EP have at least one entry or an indication that no problems are known for the patient recorded as structured data
Maintain active medication list	More than 80% of all unique patients seen by the EP have at least one entry (or an indication that the patient is not currently prescribed any medication) recorded as structured data
Maintain active medication allergy list	More than 80% of all unique patients seen by the EP have at least one entry (or an indication that the patient has no known medication allergies) recorded as structured data
Record and chart changes in vital signs: Height, Weight, Blood pressure, Calculate and display BMI, Plot and display growth charts for children 2-20 years, including BMI	For more than 50% of all unique patients age 2 and over seen by the EP — height, weight and blood pressure are recorded as structured data
Record smoking status for patients 13 years old or older	More than 50% of all unique patients 13 years old or older seen by the EP have smoking status recorded as structured data
Implement one clinical decision support rule relevant to specialty or high clinical priority along with the ability to track compliance with that rule	Implement one clinical decision support rule
Report ambulatory quality measures to CMS or the States*	For 2011, provide aggregate numerator, denominator, and exclusions through attestation as discussed in the final rule For 2012, electronically submit the clinical quality measures as discussed in the final rule
Provide patients with an electronic copy of their health information (including diagnostic test results, problem list, medication lists, medication allergies), upon request	More than 50% of all patients of the EP requesting an electronic copy of their health information are provided it within 3 business days
Provide clinical summaries for patients for each office visit	Clinical summaries provided to patients for more than 50% of all office visits within 3 business days
Capability to exchange key clinical information (for example, problem list, medication list, medication allergies, diagnostic test results), among providers of care and patient authorized entities electronically	Performed at least one test of certified EHR technology's capacity to electronically exchange key clinical information
Protect electronic health information created or maintained by the certified EHR technology through the implementation of appropriate technical capabilities	Conduct or review a security risk analysis and implement security updates as necessary and correct identified security deficiencies as part of its risk management process

**EPs will be required to report on a total of six quality measures, three core measures plus three from a list of 38 Clinical Quality Measures (not designated by specialty)*

Providers Must Choose 5 of the 10 Menu Objectives

Table 4: Core Objectives

Meaningful Use Stage 1 Menu Objectives	Eligible Professional (EP) Objective Measures
Implement drug-formulary checks	The EP has enabled this functionality and has access to at least one internal or external drug formulary for the entire EHR reporting period
Incorporate clinical lab-test results into certified EHR technology as structured data	More than 40% of all clinical lab tests results ordered by the EP or by an authorized provider of the eligible hospital or CAH for patients admitted to its inpatient or emergency department (POS 21 or 23) during the EHR reporting period whose results are either in a positive/negative or numerical format are incorporated in certified EHR technology as structured data
Generate lists of patients by specific conditions to use for quality improvement, reduction of disparities, research or outreach	Generate at least one report listing patients of the EP with a specific condition
Send reminders to patients per patient preference for preventive/follow up care	More than 20% of all unique patients 65 years or older or 5 years old or younger were sent an appropriate reminder during the EHR reporting period
Provide patients with timely electronic access to their health information (including lab results, problem list, medication lists, medication allergies) within four business days of the information being available to the EP	More than 10% of all unique patients seen by the EP are provided timely (available to the patient within four business days of being updated in the certified EHR technology) electronic access to their health information subject to the EP's discretion to withhold certain information
Use certified EHR technology to identify patient-specific education resources and provide those resources to the patient if appropriate	More than 10% of all unique patients seen by the EP are provided patient-specific education resources
Maintain active medication allergy list	More than 80% of all unique patients seen by the EP have at least one entry (or an indication that the patient has no known medication allergies) recorded as structured data
The EP who receives a patient from another setting of care or provider of care or believes an encounter is relevant should perform medication reconciliation	The EP performs medication reconciliation for more than 50% of transitions of care in which the patient is transitioned into the care of the EP
The EP who transitions their patient to another setting of care or provider of care or refers their patient to another provider of care should provide summary of care record for each transition of care or referral	The EP who transitions or refers their patient to another setting of care or provider of care provides a summary of care record for more than 50% of transitions of care and referrals
Capability to submit electronic data to immunization registries or immunization information systems and actual submission in accordance with applicable law and practice	Performed at least one test of certified EHR technology's capacity to submit electronic data to immunization registries and follow up submission if the test is successful (unless none of the immunization registries to which the EP submits such information have the capacity to receive the information electronically)
Capability to submit electronic syndromic surveillance data to public health agencies and actual submission in accordance with applicable law and practice	Performed at least one test of certified EHR technology's capacity to provide electronic syndromic surveillance data to public health agencies and follow-up submission if the test is successful (unless none of the public health agencies to which an EP submits such information have the capacity to receive the information electronically)

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Get Started Today to Receive Maximum Incentives

McKesson's EHR Solutions for Independent Practices

McKesson's electronic health record (EHR) systems include all of the essential elements necessary to run a modern physician practice. Proven to work for thousands of practices nationwide, Practice Partner®, Medisoft® Clinical and Lytec® MD have helped practices improve bottom line productivity and quality of care.

Improve Productivity

- **Easy-to-complete progress notes.** Our solutions feature a unique note-centric design that allows physicians to complete the entire chart from the progress note. Any information you add to the note, such as medications, vital sign results or lab results, will be entered into the medical record.
- **Works the way you do.** Documentation tools adapt to the providers' style and offer a choice of data entry methods including: templates, speech recognition, transcription, digital pen, dictation and web-based patient data entry.
- **Delivers quick access to patient information.** A provider dashboard lets you view all critical information – including messages, incoming results and a daily patient schedule – in one place. In addition, a review bin provides at-a-glance viewing of notes, documents and lab results.
- **Efficiently manages orders.** Physicians are able to quickly see overdue orders and track each order by patient, status and expected time for a result to return. In addition, order status is updated as results are entered.

Enhance Quality

- **Supports care plan with built-in evidence-based content.** Offers easy access to knowledge-based information. An extensive knowledge base includes: web-based access to hundreds of disease and medication protocols; a broad range of progress note templates covering both primary care and specialty topics, which include guidelines for diagnosis and treatment and care reminders.
- **Enhances preventive care.** Health maintenance protocols based on age, sex, disease, medications or other conditions specific to the patient. Includes disease and medication protocols. All are user configurable.

Bright Note Technology™ Inside

Bright Note Technology™ inside McKesson's EHR solutions for independent practices enables physicians to spend less time charting and more time doing what they do best. The dynamic processing in Bright Note Technology enables physicians to use their preferred input style to capture patient data in a single note, which is instantly synchronized across the entire patient chart.

With the incentives designed to encourage the adoption of EHRs – whether pay-for-performance, e-prescribing, or the Medicare and Medicaid incentives built into the Economic Stimulus Plan – the decision to implement an EHR has never been more important.

Now with Bright Note Technology, the decision to purchase an EHR has never been easier.

Get started now. The future is already here.

For More Information

For more information about our Solutions for Independent Practices, call 800.770.7674 or visit www.mckesson.com/solutionsforindependentpractices.

ABOUT McKESSON CORPORATION

McKesson Corporation, currently ranked 14th on the FORTUNE 500, is a healthcare services and information technology company dedicated to helping its customers deliver high-quality healthcare by reducing costs, streamlining processes, and improving the quality and safety of patient care. Over the course of its 177-year history, McKesson has grown by providing pharmaceutical and medical-surgical supply management across the spectrum of care; healthcare information technology for hospitals, physicians, homecare and payors; hospital and retail pharmacy automation; and services for manufacturers and payors designed to improve outcomes for patients. For more information about McKesson, visit http://www.mckesson.com.

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