

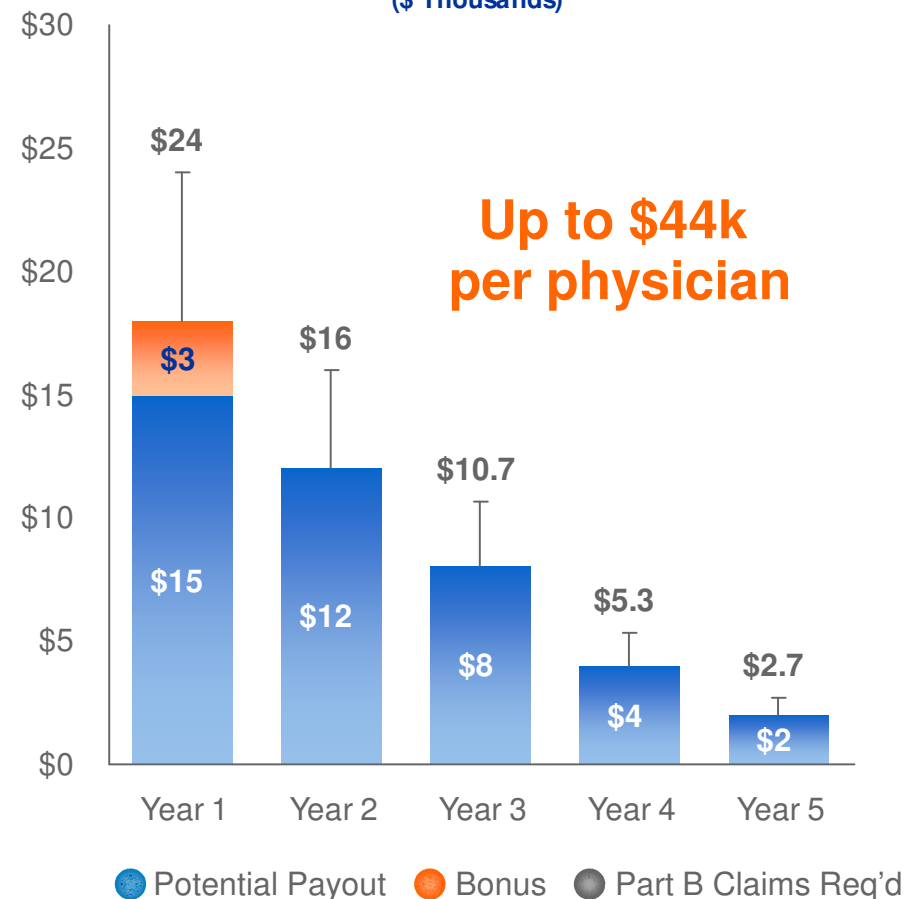
# Eligible Provider Program

Medicare incentive program uses a part B claims method

- ▶ **Pays 75% of “allowed charges” based on claims submitted to Medicare up to max**
  - “allowed charges” the lesser of the actual charge or the Medicare physician fee schedule amount
- ▶ **\$3,000 bonus to qualify by 2012**
- ▶ **Up to \$44k per physician over 5 years**
- ▶ **10% bonus if 50%+ of Medicare covered professional services furnished in a geographic Health Physician Shortage Area (HPSA)**
- ▶ **Must qualify by 2012 to receive max**
  - Reduced incentives for 2013 – 2015
- ▶ **No payments to providers after 2016**
- ▶ **Penalties begin in 2015**
  - 2015 – 1% cut in Medicare payment
  - 2016 – 2% cut
  - 2017 and beyond – 3% to 5% cut pending overall market adoption rate
- ▶ **Medicare Advantage (MA) providers qualify for the Medicare incentives using MA claims instead of part B claims**

## Medicare Incentive Potential

(\$ Thousands)



# Eligible Provider Program

## Medicare Reimbursement Schedule

Maximum Incentive Payments				
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
<b>Total</b>	<b>\$44K</b>	<b>\$44K</b>	<b>\$39K</b>	<b>\$24K</b>
Shortage Area	<b>\$48.4K</b>	<b>\$48.4K</b>	<b>\$42.9K</b>	<b>\$26.4K</b>

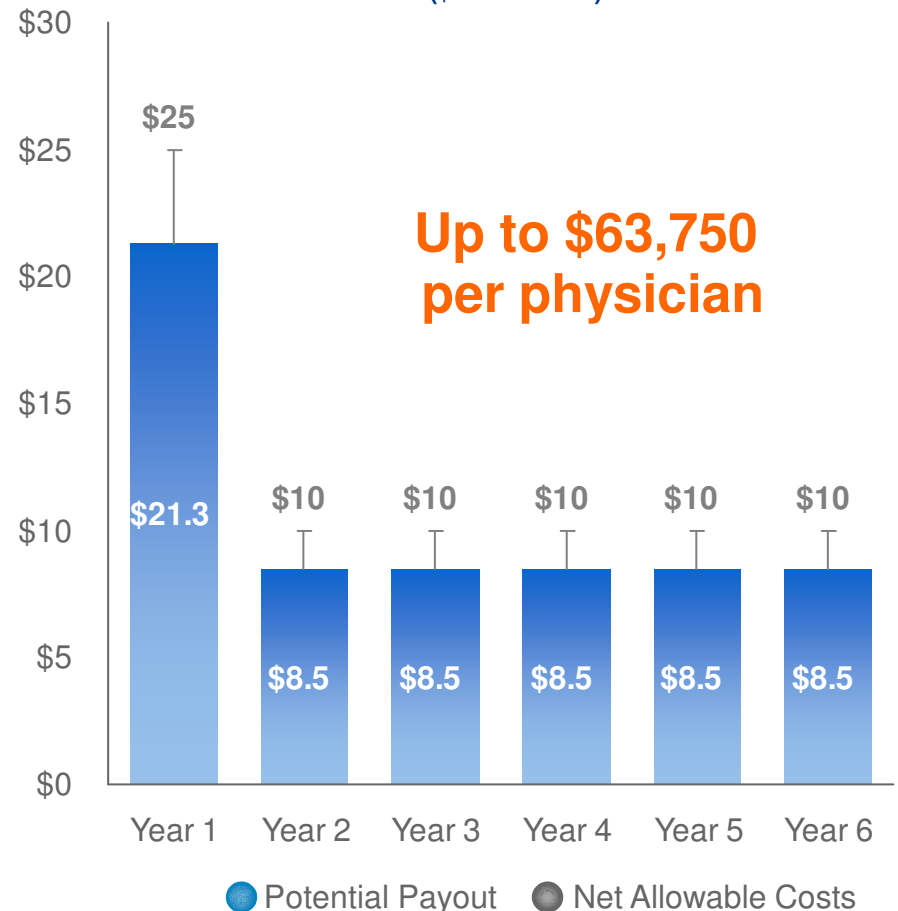
Part B Annual Charges	Maximum Payment
\$24,000	\$18,000
\$16,000	\$12,000
\$10,667	\$8,000
\$5,334	\$4,000
\$2,667	\$2,000

# Eligible Provider Program

Medicaid incentive program uses a cost based method

- ▶ **Pays 85% of the “net allowable costs”** ✓
  - Payments are not direct reimbursement for the purchase and acquisition of the EHR
  - Intended to serve as incentives for EPs to adopt and meaningfully use certified EHR technology
  - Net average allowable cost determined based on a study conducted by HHS
- ▶ **Requires 30% Medicaid patient volume**
  - 20% for pediatricians, but receive only 66% of net allowable costs
  - 30 percent of all patient 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 reporting ✓
- ▶ **Requires “meaningful use” by Year 2, Year 1 can be for adoption only**
- ▶ **Meaningful Users in Year 1 would also be eligible for the full payment** ✓
- ▶ **Must qualify by 2016 to receive max with no payments after 2021**

**Medicaid Incentive Potential**  
(\$ Thousands)



# Eligible Provider Program

## Medicaid Reimbursement Schedule

### Maximum Incentive Payments

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
<b>TOTAL</b>	<b>\$63,750</b>	<b>\$42,500</b>

Allowable Costs	Max Pmt For 30% provider (85% of allowable cost)	Max Pmt For Pediatrician (20% to 29%) Allowable Cost*2/3*85%)
<b>\$25,000</b> (year 1 only)	<b>\$21,250</b>	<b>\$14,167</b>
<b>\$10,000</b>	<b>\$8,500</b>	<b>\$5,667</b>