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# FALL 2012 NEWSLETTER

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**On August 23, 2012, the Centers for Medicare & Medicaid Services (CMS) released the Final Rule on the requirements for Stage 2 of Meaningful Use (MU). If you have a certified electronic health record (EHR) system in your practice and already participate in the MU program, or if you plan to participate in the future, make sure you understand the requirements. The stakes are changing in Stage 2, and federal regulations don't make easy reading matter. We predict you'll have lots of questions. Based on our experience in advising clients about Meaningful Use, we've chosen 10 of the most important aspects of Stage 2 to consider as you begin your assessment.**

## TEN TIPS ON MEANINGFUL USE STAGE 2 FINAL RULE

**BACKGROUND:** Meaningful Use is already part of the everyday vernacular of most medical practices. Enacted as part of the 2009 American Recovery and Reinvestment Act (ARRA), the program allows Eligible Providers (EPs) who purchase a certified EHR system and use it to collect and use information in a certain way to apply for either a Medicare or Medicaid financial incentive. The MU program has three stages.

Many physicians have already attested for Stage 1 and received an incentive payment. By the end of August 2012, CMS had paid out $6.9 billion to 143,800 physicians and hospitals. Nonetheless, many physicians had not yet applied for the incentive and some had decided it wasn't worth the effort. (For details on the original Stage 1 requirements, see our **Summer 2010** and **Fall 2010** newsletters.)

Our top 10 highlights of Meaningful Use Stage 2 follow. For additional information, use the reference links located after the list of highlights. We like the CMS tip sheets and the chart showing the progression of participation in MU by calendar year.

1. **In Stage 1 of MU, Eligible Providers (EPs) are expected to attest to the fact that they meet the specific requirements of either the Medicare or Medicaid incentive programs. Does Stage 2 change this expectation?**

   Yes – by Stage 2, EPs are expected to report rather than attest. CMS considers Stage 1 as a preliminary stage, and by the next stage, it expects that EPs will be able to meet more rigorous requirements.

2. **To qualify for the Stage 1 incentive payments, EPs applied as individuals. If they met the requirements, the incentive payment came to individual providers, who could then assign that payment to a group, if appropriate. Does Stage 2 change this process?**

   Yes, it does. In Stage 2, an individual physician can continue to apply on his or her own behalf. Stage 2 introduces an additional option, allowing a group to apply on behalf of its individual providers. As with Stage 1, CMS allows an EP or a group of EPs to designate an administrative person such as the practice manager to submit the required information.

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### 3. When does Stage 2 begin?

CMS initially had an ambitious timetable for moving from Stage 1 to Stage 2 of MU within two program years. Responding to concerns about the timetable expressed by the provider community, CMS has extended Stage 1, allowing EPs to attest through 2013. The starting year for Stage 2 is now 2014. EPs who got an early start and participated in MU in 2011 will participate in Stage 1 for 3 years before moving to Stage 2. Everyone else will participate in Stage 1 for 2 years before moving to Stage 2.

### 4. What is the reporting period for Stage 2 of MU?

- During the first year of reporting under Stage 2, EPs must demonstrate MU for a 90-day EHR reporting period. In subsequent years, the reporting period is the entire year.
- In 2014 only, all EPs, regardless of their stage of MU, are required to demonstrate meaningful use for only a 3-month reporting period. For EPs applying for the Medicare incentive, this short reporting period is tied to the calendar quarter in order to align with existing CMS quality measurement programs such as Physician Quality Reporting System (PQRS). EPs who apply for the Medicaid incentive are not obligated to tie their 90 day reporting period in 2014 to calendar quarters.

### 5. Is an EP who applies for MU obligated to meet the requirements for consecutive years?

EPs who apply for the Medicare incentive are expected to demonstrate MU for consecutive years. Those that apply for the Medicaid incentive are not required to demonstrate MU in consecutive years, but they do report the same way – 90 days in their first year of MU Stage 2 participation and a full year after that.

### 6. How does Stage 2 change the Core and Menu Objectives of MU?

- Stage 1 initially had 15 core objectives that all EPs were required to meet and 5 menu objectives that could be selected from a total of 10. There were exclusions for many of these objectives, allowing EPs to achieve MU without meeting objectives that are outside their normal scope of clinical practice.
- Stage 2 retains the core/menu objective distinction and makes several changes. EPs must meet a total of 20 objectives, of which 17 are core and 3 are menu objectives selected from a total of 6. As expected, Stage 2 raises the threshold that providers must meet for many objectives. Exclusions continue to exist if objectives are outside the normal scope of practice. Beginning in 2014, however, EPs can no longer count an exclusion from the minimum number of menu objectives if they can meet other available menu objectives.
- Although most of the new objectives are menu objectives, CMS has added two new core objectives to replace the requirements that EPs provide electronic copies of health information or discharge instructions and provide timely access to health information. The new core objectives are specific about the way in which EPs share information with patients. The measures call for the use of secure electronic messaging to communicate with patients on relevant health information. EPs are expected to provide patients with the ability to view online, download, and transmit their health information within 4 business days of the information's becoming available to the provider. The change is required in 2014. Because many providers expressed concerns about the appropriateness of patient requirements, CMS lowered the threshold from 10 to 5 percent for both measures. Exclusions based on the availability of broadband in a provider's practice area are available.

- The test of "exchange of key clinical information" core objective has been eliminated from Stage 1 and replaced by a more robust "transitions of care" objective in Stage 2.
- Stage 2 adds as a menu objective for EPs "recording of clinical notes."
- CMS has reduced some of the thresholds for achieving certain measures and modified criteria for exclusions in response to difficulties experienced by providers. An example is the exclusion for lack of or limited broadband availability for providers in rural or underserved areas.
- Many EPs objected to the original Stage 1 objective on vital signs. In response, CMS has made a change. Going forward, EPs must record blood pressure for patients ages 3 and older and record height and weight for patients of all ages. CMS also changed the exclusion criteria for the vital signs objective. The change is optional in 2013 and required in 2014.
- Stage 2 emphasizes the ability to exchange health information between providers in order to improve patient care coordination. For example, providers who transition or refer a patient to another setting of care or provider must provide a summary of care record for more than 50% of these transitions. Additional requirements regarding the exchange of information for transitions and referrals require that the summary of care record be provided electronically and that the exchange be made using technology designed by a different EHR vendor than the sender's.
- New Stage 2 menu objectives include: recording electronic notes in patient records; accessibility of imaging results through certified EHR technology (CEHRT); recording patient family health history; identification and reporting cancer cases to a state cancer registry; and identification and reporting of specific cases to a specialized registry other than a cancer registry.

### 7. What are the Clinical Quality Measures (CQM) for 2014 and Subsequent Years?

The original Stage 1 requirements for reporting on CQMs are minimal. EPs who apply for the MU incentive in 2011, 2012, and 2013 are expected to report on 3 CQMs. Beginning in 2014, however, all EPs, regardless of their stage in MU, must report on Clinical Quality Measures (CQM) in the same way by selecting 9 out of 64 measures. EPs must choose these 9 CQMs from at least 3 of the 6 key health care policy domains recommended by the Department of Health and Human Services (DHHS) National Quality Strategy: patient and family engagement; patient safety; care coordination; population and public health; efficient use of healthcare resource; and clinical processes/effectiveness. CMS expects to post on its website a complete list of 2014 CQMs and a recommended core set of CQMs that focuses on high priority clinical conditions.

### 8. What guidance has CMS offered on the submission of CQM data?

- Beginning in 2014, EPs reporting under Medicare beyond their first year of MU must electronically report their CQM data to CMS. EPs reporting under Medicaid must also report to CMS. Previously, they could report the CQM to the state.
- EPs can report CQMs either individually or batch the data and report for a group using the PQRS GPRO tool. EPs who are beyond the first year of demonstrating MU and electronically report using the PQRS option will meet both their EHR incentive program and PQRS reporting requirements. They may use the CMS portal for electronic submission of aggregate level data in QRDA III format.

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### 9. What will be the payment adjustment for non-participation?

CMS has provided details on the payment adjustment or penalty for those EPs who do not participate in the MU program. Read this section carefully so you know exactly how it works.

- Application of the penalty begins January 1, 2015. EPs are expected to demonstrate MU for a period prior to that date.
- The annual penalty is a 1% decrease in Medicare revenue, and the effect is cumulative, with a maximum penalty of 5%.
- EPs who are Medicare providers and don't participate in MU will be penalized.
- EPs who are eligible for both Medicare and Medicaid MU and participate in neither incentive program will be penalized.
- EPs who are eligible for the Medicaid but not the Medicare incentive and don't participate will not be penalized.
- EPs who participate in the Medicare incentive program are required to demonstrate compliance with the MU requirements in consecutive years or face a penalty.
- EPs who are only eligible for the Medicaid incentive are not penalized if they do not participate in consecutive years. However, EPs who are eligible for both the Medicaid and Medicare incentives cannot avoid the penalty by receiving a Medicaid incentive payment for adopting, implementing, or upgrading CERT. These EPs must demonstrate MU according to the CMS timelines in order to avoid the penalty. Our advice is to meet the MU requirements for consecutive years.

### 10. Are there hardship exemptions?

Yes, EPs may apply for hardship exceptions to avoid the payment adjustments. Justification for an exemption falls into the following four categories: infrastructure problems (insufficient internet access or other insurmountable barriers), new EPs; unforeseen circumstances (e.g. natural disaster); meeting all three criteria by specialist/provider type (1) lack of face to face or telemedicine interaction with patients; (2) lack of follow up need with patients; (3) lack of control over the availability of certified EHR technology at their practice location.

## ADDITIONAL SOURCES OF INFORMATION ABOUT MEANINGFUL USE STAGE 2

- **Center for Medicare and Medicaid Services**
  **http://www.cms.gov/Regulations-and-Guidance/Legislation/EHRIncentivePrograms/Stage_2.html**
- **Medical Group Management Association**
  **http://www.mgma.com**
- **Carolinas Center for Medical Excellence**
  **http://www.ccmeconsulting.org**

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## How Satinsky Consulting, LLC Can Help Your Practice With Meaningful Use

Satinsky Consulting, LLC offers assistance to clients in meeting Meaningful Use requirements in several ways.

**If you don't yet have EHR, we provide:**

- Assistance in workflow analysis, identification of operational issues, and problem correction based on the results of your workflow analysis.
- Identification of vendors that offer products and services that meet your needs. We're vendor-neutral and have worked with many different companies. Benefit from our experience and that of our clients.
- Guidance in vendor selection and implementation:
  - We help you compare products, strengths and weaknesses, and pricing.
  - We also compare vendor proposals, no two of which come in the same format! Benefit from our experience in negotiation of price and contract terms.
  - Talk with our clients about their experiences with many of the major vendors on the market.
  - We do careful vendor reference checks for practices in your specialty.
  - We troubleshoot in practice-vendor communications.

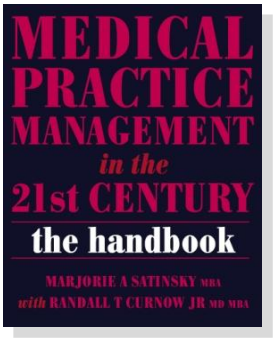
**If you do have EHR, we provide:**

- Up-to-date summaries of federal and other requirements for IT. We provide easy-to-read information so you don't have to spend valuable time surfing the Web.
- Assistance in workflow analysis, identification of operational issues, and problem correction based on the results of your workflow analysis.
- Assistance in understanding and complying with specific HIT and clinical objectives/measures.
- Assistance in HIPAA Privacy and Security Rule compliance. We have two comprehensive and up-to-date manuals that can be customized for your practice. We train your workforce, too.

**Contact us by phone (919.383.5998) or by email (margie@satinskyconsulting.com).**

## Ideas for Managing Your Practice

If you are looking for new ideas to improve your bottom line and practice operations, order **The Handbook for Medical Practice Management in the 21st Century**. The book and the companion website offer concrete suggestions and practical tools. Authored by Marjorie A. Satinsky, M.B.A., with Randall T. Curnow, Jr., M.D., M.B.A., the handbook can be ordered by phone from Radcliffe Press (800.247.6553, x2402) or online using this **link to it on amazon.com.**

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