

## SPRING 2012 NEWSLETTER

Keeping up with the tumultuous external environment is the number one challenge for medical practices. In this newsletter, we will provide particular emphasis on one of those – the Proposed Rule for Stage 2 of Meaningful Use.

If you are interested in a summary of other national and state issues that will impact medical practices in 2012, [download the newsletter supplement](#) from our website.



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### MEANINGFUL USE – PROPOSED RULE FOR STAGE 2

Meaningful Use (MU) 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 electronic health record (EHR) system and use it to collect and use information in a certain way to apply for either a Medicare or Medicaid financial incentive. Physicians have the option of applying to participate in either program. Mid-level practitioners like Nurse Practitioners and Physician Assistants (in Federally Qualified Health Centers and Rural Health Centers) are not eligible for the Medicare incentive.

The MU program has three stages, and many physicians have already attested for Stage 1 and received either a Medicare or Medicaid incentive payment. On March 7, 2012 the Center for Medicare and Medicaid Services (CMS) and the Office of the National Coordinator for Health Information Technology (ONC) issued two Proposed Rules for Stage 2, one on MU that applies to EPs and a second for 2014 EHR certification and standards that applies to vendors. The Final Rules are expected during the summer 2012.

Here's our list of the highlights of Stage 2 as it looks right now and steps you can take. We'll provide an update after publication of the Final Rules.

- **Understand the timetable for MU Stages 1 and 2.**

Under an extension to Stage 1, Eligible Providers (EPs) can attest through 2013. Reporting for Stage 2 will begin in 2014, not in 2013 as originally anticipated. The public comment period for input on the Proposed Regulations ended on May 6, and the Final Rule will be published in the summer 2012. Release of the Proposed Rule on Stage 3 is expected early in 2014.

- **Remember the penalties for failure to participate in MU.**

CMS will penalize EPs who do not attest to MU by July 3, 2015. The 2015 penalty for non-participation is a 1% decrease in Medicare payments, and the percentage increases in subsequent years. A Medicare EP can avoid the 2015 penalty by successfully demonstrating MU in 2013. EPs whose first year of attestation is 2014 can avoid the penalty by registering and attesting by October 1, 2014.

- **Know if you qualify for an exception to the penalty for failure to participate.**

You may qualify for an exception if:

- You practice in a rural area where there is insufficient Internet access two years prior to the payment adjustment year
- You are a newly practicing EP for two years
- You have been affected by “extreme” circumstances such as an unexpected closure, natural disaster, or your EHR vendor’s going out of business

- **Start with Stage 1, not with Stage 2.**

In three previous newsletters, we’ve outlined the highlights of Stage 1. Make sure you read all three of those newsletters – [Summer 2010](#), [Fall 2010](#), and [Spring 2011](#).

- **As with Stage 1, work closely with your EHR vendor.**

One of the interesting findings from Stage 1 is that practices struggle more with the software than they do with the aspects of practice that the software is supposed to measure. Ask your vendor what help is available and if there is an additional charge. Some vendors go the extra mile by helping you collect information and attest to what you have done. Assuming you meet the requirements, they may also guarantee your receipt of the MU incentive and offer financial compensation if you don’t. Ask about software development because the Stage 2 requirements will necessitate changes. For example, beginning in 2014, providers will be able to report on 12 clinical quality measures (CQMs) through either the MU or Physician Quality Reporting System (PQRS) programs. Can your vendor work with both options? Particularly if you are at the point of selecting an EHR or replacing your existing vendor, make sure you know what you’re getting.

- **Pay close attention to lessons learned by CMS.**

One of the reasons that MU has three distinct stages is so CMS can learn as it goes and apply the lessons to subsequent stages. Here’s are some of the lessons that CMS has already learned from EPs who have attested to MU for Stage 1:

- Attestation requires a lot of effort. EPs who were first to attest to MU in Stage 1 were already well along the way before the publication of the Final Rule. Those who lacked experience in demonstrating quality took longer to meet the requirements.
- The biggest challenge is learning to use the technology to count and report. Once EPs providers master this challenge, they generally exceed the thresholds for the various measures by wide margins.
- Those menu items related to patient engagement and the provision of health information are the most difficult for EPs to achieve. Both require significant changes in internal procedures.
- Not all physicians applied for MU. Many are still waiting on the sidelines, either because they don’t have EHR and/or because they don’t know how to use the technology to attest to the quality of care that they provide.
- Opinions on the impact of technology on the quality of care are not unanimous. Providers, vendors, and consumers differ in their evaluations.

- **Stay tuned to proposed modifications to the Medicaid EHR incentive program.**

For example, there may be changes to patient volume requirements and the time period for counting.

- **Understand the changes between the Stages 1 and 2 Core and Menu Set measures.**

- Stage 2 has 17 Core Objectives that must be met and 5 Menu Set Objectives that give EPs choice in selection. EPs must meet or qualify for an exclusion for all 17 Core Objectives and successfully demonstrate that they meet 3 out of 5 Menu Set Objectives.
- Many Stage 2 Core Objectives are the same as they were in Stage 1 but with an increased threshold or expanded scope. Examples are the requirements for CPOE, ePrescribe, recording demographics, recording smoking status, and recording vital signs. Other measures that were in the Menu Set category in Stage 1 have been moved to Core Objectives in Stage 2. Examples are use of EHR to identify and provide patient-specific education resources, and the provision of preventive reminders. For other requirements, Stage 2 adds new measures or new requirements within existing Stage 1 measures.
- With the movement of some of the Menu Set requirements to the Core Requirements category, the Menu Set requirements have been decreased and simplified. The Menu Set requirements now apply to: submission of electronic reportable lab results to public health agencies, submission of electronic syndromic surveillance data to public health agencies, identification and reporting of cancer cases to state cancer registries, and capability to identify and report specific cases to a specialized registry other than the cancer registry.

- **Expect a change in the reporting of clinical quality measures (CQM).**

Stage 1 emphasized the use of EHR technology. Stage 2 moves toward the measurement of more clinical quality measures. EPs must report on 12 CQMs that align with existing quality programs such as the Physician Quality Reporting system (PQRS). EPs will have the option of reporting for the EHR incentive program only or of reporting for both the EHR incentive program and PQRS. Group reporting for the Medicare incentive will be available for those that meet specific criteria for group size and participation in existing quality program.

**The following links can help you learn more about Stage 2 of Meaningful Use:**

- CMS Proposed Rule on Stage 2 Meaningful Use requirements  
<http://www.gpo.gov/fdsys/pkg/FR-2012-03-07/pdf/2012-4443.pdf>
- ONC Proposed Rule on 2014 EHR certification and standards  
<http://www.gpo.gov/fdsys/pkg/FR-2012-03-07/pdf/2012-4430.pdf>
- Public Comment Submission on Stage 2 Meaningful Use  
<http://www.regulations.gov>
- Registration and Attestation  
<https://www.cms.gov/Regulations-and-Guidance/Legislation/EHRIncentivePrograms/Attestation.html>
- Carolinas Center for Medical Excellence  
<http://www.ccmeconsulting.org>

## 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 can provide:**

1. Assistance in workflow analysis.
2. 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.
3. Guidance in vendor selection and implementation.
4. Assistance in the evaluation of vendor products, plans, strengths and weaknesses, and pricing.
5. Comparison of vendor proposals. No two proposals come in the same format. We simplify this challenging task.
6. Negotiation of price and other contract terms. Benefit from our experience and leverage with vendors. The organizations listed above do not provide this type of assistance.
7. Arrangements for site visits to our clients so you can benefit from their experience.
8. Vendor reference checks.
9. Troubleshooting in practice-vendor communications. Sometimes you need an account manager who is more experienced than the one assigned to you. We'll help you get the right person.

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

1. 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.
2. Assistance in workflow analysis (if you didn't do it as part of your EHR selection process).
3. Identification of operational issues and problem correction, based on the results of your workflow analysis.
4. Assistance in understanding and complying with specific HIT and clinical objectives/measures.
5. 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](mailto:margie@satinskyconsulting.com)).**

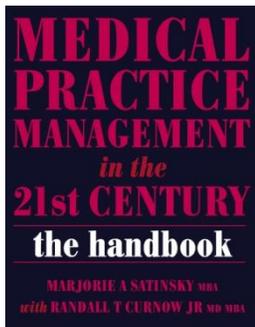
## Need Help With Financial Management of Your Practice?

If you need help with financial management of your practice, Satinsky Consulting, LLC and Kalish Consulting Group offer our combined services on projects directed toward enhancing cash flow.

When practice owners tell us about the financial pressures their practices are experiencing, they often point to high overhead. We can benchmark your expense line items against the performance of your peers to determine how you compare. It's not enough to tighten up on the cost side, however. Look for opportunities to improve the top line. Begin with a better understanding of your payer mix and renegotiate your third party contracts to increase your cash flow. After you have your contracts in place, measure each payer's performance in meeting its contractual obligations.

Contact us by phone (919.383.5998) or by email ([margie@satinskyconsulting.com](mailto: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 is available from Radcliffe Press.

To order the book, call 800.247.6553 or visit [www.radcliffe-oxford.com](http://www.radcliffe-oxford.com).