IDAHO DEPARTMENT OF
HEALTH & WELFARE

# Patient Volume and Incentive Payments for Eligible Hospitals (EHs)

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# EHR Incentive Program Overview

- The Medicaid EHR Incentive Program will provide incentive payments to eligible hospitals (EHs) as they Adopt, Implement, or Upgrade (AIU) certified EHR technology in their first year of participation and demonstrate meaningful use in subsequent years
- EHs include acute care hospitals, critical access hospitals, and children's hospitals
- Payments are not meant to be reimbursements. Instead they are meant to help defray the costs of a certified EHR system
- Hospitals meeting Medicare Meaningful Use requirements may be deemed meaningful users for Medicaid
- Dually eligible hospitals may receive incentive payments from Medicare and Medicaid if they meet all program eligibility criteria
  - Select "Both Medicare and Medicaid" during the registration process

# Hospital Eligibility Requirements

- Acute Care Hospital:
  - CCN range (last 4 digits) 0001-0879 and 1300-1399
  - 10% Medicaid patient volume
  - Critical Access Hospitals defined as Acute Care Hospitals
- Children's Hospitals (none currently in Idaho):
  - CCN range (last 4 digits) 3300-3399
  - No Medicaid Patient Volume requirements

# Patient Volume Threshold for EHs

The total Medicaid inpatient discharges + emergency department encounters in any representative, continuous 90-day period in the preceding federal fiscal year

Divided by

The total inpatient discharges + emergency department encounters in the same 90-day period

=

% Medicaid Patient Volume

# What is a Patient Encounter?

- Services rendered to an individual per inpatient discharge or in an emergency department on any one day where Medicaid paid for all or part of the service
- The emergency department must be part of the hospital under the qualifying CMS Certification Number (CCN)
- Encounters for out-of-state Medicaid members (border states only) may be included in the patient volume calculation
  - Only if needed to meet patient volume threshold
  - Out-of-state encounters must be included in the denominator

# CHIP Encounters

Children's Health Insurance Program (CHIP, Title XXI) patient encounters

- Must be excluded from the numerator in the patient volume calculations
- EHs are required to attest to the accuracy of patient volume information submitted

Many providers do not differentiate between Medicaid (Title XIX) and CHIP patients, so Idaho Medicaid will calculate this amount for each hospital

The CHIP encounter data will reduce the hospital's patient volume numerator and provide an adjusted Medicaid patient encounter volume that will be entered into the Idaho Incentive Management System (IIMS) when attesting

# Incentive Payments for Hospitals

- First year payment can be received in 2012 thru 2016. Cannot initiate payments after 2016
- Prior to FY 2016 payments can be made on a nonconsecutive, annual basis for the Federal Fiscal Year (FFY). After 2016, no payments can be received unless a payment was received in a prior fiscal year
- Nationally payments will be through 2021
- Payment will be based on a (FFY): Oct. 1 – Sept. 30
- Schedule for aggregate incentive payments in Idaho
  - Year 1: 50%
  - Year 2: 40%
  - Year 3: 10%

# Medicaid Incentive Payment Calculation for EHs

- Base calculation is made up of two factors:
  - Overall EHR amount, and
  - Medicaid share
- CMS requires that the base calculation use data from the hospital fiscal year that ends in the FFY prior to the year incentive payment is initiated
- As an example, if a hospital is applying in September 2012 and their hospital fiscal year runs from July 1st – June 30th, they would use data from their FY 7/1/10 – 6/30/11

# Medicaid Incentive Payment Calculation (cont'd)

Formula for Calculating: Overall EHR Amount * Medicaid Share

Overall EHR Amount = [Sum over 4 years of {(Base Amount ($2 million dollars) + applicable discharge related amount for each year) * applicable transition factor for each year}]

X

Medicaid Share = [(Medicaid inpatient bed days + Medicaid HMO inpatient bed days) divided by {(total inpatient bed days) * (estimated total charges minus charity care charges) divided by (estimated total charges)}]

# Hospital Incentive Payment Calculation

- Step 1: Calculate *growth rate* based on the average percent increase or decrease of discharges over a three-year period
- Step 2: Calculate the *overall EHR amount* based upon a theoretical four years of payment the hospital would receive based upon the base amount (i.e., $2 million dollars), plus the discharge related amount, multiplied by a transition factor
- Step 3: Calculate the *Medicaid share* based on estimated Medicaid inpatient bed days and total inpatient bed days
- Step 4: Calculate the *aggregate amount* which is calculated as the product of the *overall EHR amount* times the *Medicaid share*
- Step 5: Apply hospital payout schedule

# Documentation Required

- Patient Volume and Cost Report Data
  - Verified with information already maintained by the State
- Documentation supporting the adopt, implement, or upgrade phase
  - Must reference your certified EHR technology (e.g., system name and version)
  - Must be a business record or the purchase or upgrade that states financial obligation and timeframe (e.g., receipt or executed contract)

# Things you will need to participate

**What you need:**

- A copy of your facility's financial cost report for the previous fiscal year and discharge information for the past 4 years. This data is used to calculate the payment your facility is entitled to and must include the following:
  - Total hospital discharges in the 4 fiscal years previous for the system to calculate the facility's Annual Average Growth rate
  - Total Inpatient Bed Days
  - Total Medicaid Bed Days
  - Total Medicaid Managed Care Bed Days
  - Total Hospital Charges
  - Total Charity Care Charges
- Medicaid encounter volume for a 90-day period during your last fiscal year (inpatient discharges and ER visits wherein multiple visits on one day by one person count as one)
- Total volume for the same 90-day period, using the same definitions

# Volume and Payment Summary

Calculating Patient Volume

- 90-day period in previous fiscal year
- Based on discharges and Emergency Department visits
- Cost Report Data
- Fiscal Year ending in the FFY prior to Payment Year

Payment

- Base Calculation
  - Overall EHR Amount
    - $2 million dollar base
  - Medicaid Share
- Payout is 50% - 40% - 10%

# Registration with CMS

- CMS Registration and Attestation (R&A) website: www.cms.gov/EHRIncentivePrograms
- Click Registration Tab (use NPPES/NPI web username and password)
- Hospitals dually eligible for Medicaid and Medicare Incentives select "Both Medicare and Medicaid" to maintain program option
- Step-by-step guides on how to register can be found at: https://www.cms.gov/EHRIncentivePrograms/20_RegistrationandAttestation.asp

# Idaho Medicaid Application Process

- CMS R&A sends a file of hospitals who have registered for the incentive to Idaho Medicaid
- Medicaid contacts the hospital to request information:
  - Date in the previous FFY of the 90 day period for patient volume
  - Total of discharges and ED encounters in that same 90 day period
  - Charity care details and support documentation
  - Documentation to support AIU
- Once received that information will be used to calculate your payment and determine your CHIP numbers

# Idaho Medicaid Application Process cont'd

- An e-mail is sent directing the hospital to complete the application and attestation process
- To do that the hospital logs in at www.MedicaidEHR.dhw.idaho.gov , clicks on link to IIMS and enters data
- Incentive payment program staff confirm the eligibility as well as the payment amount calculation using Medicare Hospital Cost Reports
- The hospital will be notified of the eligibility determination

# Summary and Next Steps

- Please identify a Subject Matter Expert (SME)
- Enroll as a vendor with the State of Idaho
- Gather documentation for AIU to a certified EHR
- Gather National Provider Identifier (NPI) and Tax Payer Identifier Number (TIN) information
- Obtain CMS EHR Certification Number
- Register at CMS EHR Incentive Program website
- Determine the 90-day reporting period to meet the patient volume threshold in a fiscal year
- Determine the patient volume (review data sent by Medicaid)
- Obtain total discharges, Medicaid and hospital inpatient days, hospital and charity care charges
- Apply and attest with Idaho Medicaid EHR Incentive Program
- Retain records for minimum of six years

# Resources

- Sign up to be a vendor with the State of Idaho. Call 208-332-7989 to see if you are already enrolled as a vendor. If not, call or email EHRincentives@dhw.idaho.gov and ask for information on how to enroll
- National Provider Identifier (NPI): All EPs and EHs must have an NPI in order to participate. Web user account from the National Plan and Provider Enumeration System (NPPES). To confirm that you have an active NPI go to https://nppes.cms.hhs.gov/NPPES/
- CMS Website for EHR Incentive Programs: Register for the EHR Incentive program at www.cms.gov/EHRIncentivePrograms, then click on "Registration and Attestation"
- Learn about certified EHR systems and other programs under the Office of the National Coordinator (ONC) for Health IT, which are designed to support providers as they transition to EHRs at www.healthit.hhs.gov

# Helpful Resources

- Idaho Medicaid Website
  - www.MedicaidEHR.dhw.idaho.gov
    - "*Ask the Program*" - submit questions by clicking on the email link
    - "Receive email updates" – sign up to receive email updates by clicking on "Monitor this Page" and follow instructions
- CMS EHR Incentive Program Website
  - www.cms.gov/EHRIncentivePrograms
    - Frequently Asked Questions (FAQs)
    - Meaningful Use Attestation Calculator
    - Attestation User Guides
    - Listserv
- HHS Office of National Coordinator Health IT - certified EHR technology list
  - http://healthit.hhs.gov/CHPL
- Enrollment in Provider Enrollment, Chain and Ownership System (PECOS)
  - https://pecos.cms.hhs.gov/pecos/login.do
- EHR certification number from the Certified HIT Product List (CHPL)
  - http://onc-chpl.force.com/ehrcert

# Thank you for your participation!

- Presentation and recording will be available on our website www.MedicaidEHR.dhw.idaho.gov
- We will be capturing and posting a transcript of this presentation, including questions and answers
- If you have additional questions, please email us at EHRIncentives@dhw.idaho.gov