

CMS Hospital EHR Payment Adjustments; Where do you Fit In?



The <u>Centers for Medicare and Medicaid Services Hospitals</u> (CMS) have announced that hospitals which are failing to implement meaningful use of certified electronic health record technology will have to undergo a payment adjustment as of October 1, 2016.

The payment change will come in the form of a 'reduced applicable increase' to a facility's Inpatient Prospective Payment System rate which is tied to the reporting period of specific fiscal years, says CMS.

Only a few hospitals are expected to be affected by the payment adjustment as 98 percent of eligible hospitals and critical access hospitals across the U.S. have, to date, demonstrated successful implementation of either Stage 1 or Stage 2 meaningful use.

For facilities that still have not, hospital payment adjustments by reporting year are as follows:

- a 25 percent decrease for 2015 (2013 reporting period);
- a 50 percent decrease for 2016 (2014 reporting period);
- a 75 percent decrease for 2017 and beyond (2015 reporting period).

See Also: More Errors with EHR over Paper Records

For hospitals facing practical difficulties and unable to implement <u>meaningful use</u> to the stipulated level, CMS is offering 'hardship' exceptions. The organisation will deal with this on a case-by-case basis.

Healthcare facilities falling into this category could be experiencing hardship in the following areas:

- 2014 EHR vendor issues (either a technology provider wasn't able to gain 2014 certification or the hospital was unable to attest to MU due to certification delays);
- infrastructure (hospitals must show they're in an area without sufficient internet access or broadband);
- unforeseen circumstances (a natural disaster or other unforeseeable barrier);
- recent eligibility (EHs with new CMS Certification Numbers can apply for an exception for one full cost reporting period).

Meaningful use of EHRs is defined as using certified electronic health record (EHR) technology to improve quality, safety, efficiency, and reduce health disparities. The EHR system aims, among others, to involve patients and their families in the care continuum, improve population health and lead to increased transparency and better outcomes.

Source: CMS

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Published on: Tue, 6 Sep 2016