

March, 2009

Dear Colleague;

Initiatives to encourage Electronic Medical Record (EMR) adoption and reward those who have their EMR up and running are hitting high gear. The President's Stimulus Package will impact both those who have an EMR and those that do not.

Over \$30 billion is allocated from the American Recovery and Reinvestment Act for a variety of direct support and infrastructure improvements to promote Health Information Technology (HIT).

Physicians who are using certified EMR technology as a "meaningful user" (which is yet to be explicitly defined) can receive up to an additional \$44,000 over 5 years in Medicare reimbursements or up to \$75,000 over 5 years for 85% of eligible implementation costs from Medicaid. It is not clear at this point if a physician can receive both Medicare and Medicaid funding. These programs will begin in either 2011 or 2012.

Unfortunately, for those who are not using an EMR when the program begins, there is no retroactive adjustment. If you are not a "meaningful user" before the programs begin in 2011 or 2012, you will not be able to receive the incentive for that year. For year 1, that supplement is \$18,000, and, if you are not a "meaningful user" by the third year (2013 or 2014) you will be penalized with reduced payments until you are a user, or \$18,000 year 3, \$12,000, year 4 and \$8,000 year 5. Please see the attachment for details.

Locally, BCBSRI has adopted a differential fee schedule for primary care physicians that meet certain standards for the use of an EMR. BCBSRI has announced that this summer, for the commercial products, PCP's with an EMR will be reimbursed at 132% of Medicare for E&M codes, while those that are not using an EMR will be reimbursed at 119%. This likely represents several thousand dollars per physician. BCBSRI will also have an enhanced fee schedule for specialists who implement EMR systems.

United Healthcare is also supporting EMR adoption with a "HIT Rewards" program for certain solo physicians and practice groups. Eligibility requires: a) concentrate in primary care, b) contract with UHC, c) use a CCHIT certified EMR by 9/09, and d) use the population management tool to track at least 10 UHC enrollees. The incentive payment is \$2,000 per physician up to maximum of \$6,000 per practice group.

For those who have not yet adopted, the good news is that the resources and processes available to assist you have matured nicely over the last few years. The PSO's selection of eClinicalWorks (eCW) as our preferred vendor has been confirmed as an excellent choice, with eCW clearly emerging as the premier product nationally. Our ability to understand and solve the problems and hurdles that emerge during implementation is now strong (and we have the scars to prove it).

The PSO's application hosting program (Application Service Provider or ASP) is also proving to be quite successful. We have been up 100% of the time since we went live in mid 2006 and have added additional security and back-up capability to what was already a state-of-the-art-industry standard. The use of ASP hosted services has also been confirmed nationally as the way to go for practices of any size, from support, security and back-up perspectives, as well as being cost-effective. As with any new program, we believed we were doing the right thing, and it is very gratifying to see this decision confirmed years later by external sources.

Additionally, the PSO signed a contract with Lifespan Information Services in June, 2007 to provide network support, new version testing, and interface testing. This arrangement has proven advantageous.

To help our physician community, The PSO still provides \$1000 per physician (up to a maximum of \$10,000 per practice) and has a low interest loan program for the fees associated with the purchase and installation of the eCW system. We also continue to offer a variety of courses and seminars regarding EMR and ePrescribing to help physicians navigate all aspects of Health IT.

Please find several attachments with this letter:

- 1) A summary of the HITECH provision from the American Recovery and Reinvestment Act. This has been graciously provided by Laura Adams, President of the Rhode Island Quality Institute, who presented the information at a recent RIQI board meeting, along with Linn Freedman, an attorney at Nixon, Peabody, LLP who also does work for the PSO.
- 2) A summary of the PSO ASP and loan program.
- 3) A handout prepared for a presentation that I was invited to give on success factors for EMR adoption in April at the American Academy of Neurology Annual Meeting.
- 4) And most importantly, our contact information to get started.

If you have not yet begun the EMR planning process, please remember that the time frame from the first phone call to your go-live date is almost 12 months. And consider that with the stimulus incentives, many practices will be demanding resources. You need to be using your EMR in 2010 to be eligible for rewards in 2011 (or 2011 for 2012 rewards) so there is little time to delay.

Please contact me with questions or comments (444-8343, jkaufman@lifespan.org).

Sincerely,

Joel M. Kaufman, MD
Executive Director and CEO
Lifespan/Physicians PSO

Attachments:

