



## Frequently Asked Questions (FAQ): Healthcare IT Incentives

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### What Is It?

As part of President Obama's economic stimulus package officially known as the **American Recovery and Reinvestment Act of 2009 (or ARRA)** approximately \$20 Billion has been allocated to incentivize hospitals and physicians to adopt Healthcare IT technology such as Electronic Health Records and E-Prescribing.

\$17.2 Billion of this money will be available as incentives through the Medicare and Medicaid reimbursement systems to assist providers in adopting EHRs.

While the specific rules for administering this program are still in development, we do know that the program will operate much like the CMS/Medicare incentives now in place for E-Prescribing. Similarly, Physicians must use a "certified" EHR, and will have to show "meaningful use" of that EHR software on an on-going basis through yet-to-be-established reporting procedures.

If they meet these requirements, physicians would receive substantial incentive payments through the Medicare and Medicaid reimbursement systems. Also like the E-Rx incentives, physicians that do not participate will begin to see penalties after a certain amount of time (beginning in 2015).

### What it is not.

Contrary to what some news stories have implied and what some physicians may have concluded, **Physicians will not be sent checks for \$40,000 to \$50,000 to go shop for an EHR.**

### How Can Physicians Get Paid Under ARRA?

Details are not yet fully available, but at a minimum, physicians will need to use a "certified" EHR and use it in a specified way that will most likely include regular reporting and the exchange of health data with other providers. Based on meeting those requirements, physicians would receive a bonus or incentive payment from CMS (Medicare) or from Medicaid.

So if a provider fully complies with the requirements in 2010 (the first year possible) they will get paid in 2011.

### How Much Can Physicians Get Paid?

Payments can be substantial if a physician fully participates in the program. For the Medicare program, the payments start at \$18,000 in 2011 (for participation in year 2010) and total up to \$44,000 over the life of the program. The Medicare program is similar but total payments can be up to \$63,000.



