

## **FREQUENTLY ASKED QUESTIONS REGARDING THE ALABAMA MEANINGFUL USE INCENTIVE PAYMENT PROGRAM**

### **1. What is the Alabama Medicaid Electronic Health Record Incentive Program?**

**Answer:**

The Alabama Medicaid Agency (Agency) is implementing the Meaningful Use Incentive Payment Program. Authorized by the American Recovery and Reinvestment Act of 2009 (ARRA), this program is designed to give “eligible professionals (EPs)”, up to a total of \$63,750 for incorporating health information technology defined as electronic health records into their practice. The incentive payment will be paid over a period of six years with the first year payment being \$21,250. First year program participation is defined as the adoption, implementation, or upgrading to an ONC certified EHR system. An additional \$42,500, paid over five years, may be received for the meaningful use of a certified EHR system according to the requirements developed by the Centers for Medicare and Medicaid Services (CMS). Eligible Hospitals (EHs) can also participate and their maximum payment is based upon their individual demographics (see “Who is an eligible hospital”)

### **2. Who qualifies as a Medicaid eligible professional?**

**Answer:**

Medicaid eligible professionals are defined in the statute as:

- Medicaid enrolled,
- Non-hospital-based (defined as less than 90% of encounters are in an inpatient or emergency room setting)
  - Physicians,
  - Dentists,
  - Nurse Practitioners, and
  - Certified Nurse Midwives.
  - Physician Assistants practicing in a Rural Health Clinic (RHC) or Federally Qualified Health Center (FQHC) in which the clinic is directed by the physician assistant.
- Meeting a Medicaid patient volume of 30% (FQHC and RHC providers can also count needy individuals in determining patient volume).
- Pediatricians are eligible for a reduced incentive for volumes between 20% and 30%; however, they receive the full incentive once the 30% patient volume threshold is met.

### **3. Are professionals with low number of patients eligible for the incentive payments?**

**Answer:**

Yes. There are no requirements for a minimum number of patients.

### **4. What defines a “needy individual”?**

**Answer:**

A “needy individual” is defined as an individual who:

- Receives medical assistance from Medicaid or the Children's Health Insurance Program (CHIP);
- Or is furnished uncompensated care by the provider;
- Or is furnished services at either no cost or reduced cost based on a sliding scale determined by the individual's ability to pay.

### **5. What defines a hospital-based professional?**

**Answer:**

A healthcare professional is considered hospital-based if 90% or more of their services are performed in a hospital inpatient or emergency room setting (Place of Service (POS) codes 21 and 23) and is not eligible for incentive payments. A professional with less than 90% hospital inpatient or emergency room services may be considered an Eligible Professional and apply for incentive payments, provided all other program eligibility requirements are met.

### **6. What is an eligible hospital?**

**Answer:**

For the Medicaid program, an EH is an acute care hospital, critical access hospital, or childrens’ hospital. Acute care and critical access hospitals must also meet a 10% Medicaid patient volume requirement, have an average length of stay of not more than 25 days, and have a CMS Certification Number (CCN) in the series ending with 0001 – 0879 or 1300 – 1399. Childrens’ hospitals must have a CCN ending with 3300 – 3399 and do not have a patient volume or average length of stay requirement.

### **7. As an EH in Alabama, how do I designate an appropriate representative period?**

**Answer:**

An Alabama EH must select a representative period from which eligibility demographics can be obtained. The representative period must be from a period ending in the federal fiscal year immediately prior to the current federal fiscal year within which application for the incentive payment is being made. An EH will have the option of selecting an entire one-year period or a 90-day period. Whether the choice is an entire one-year period or 90-day period, each must be covered entirely within the period covered by the corresponding hospital cost report filed with CMS. For example, if the EH is making application in May 2011, the representative period must come from the hospital’s cost report year ending prior to October 1, 2010.

**8. What data sources may I use as an EH to support the demographic data I report?**

**Answer:**

Pursuant to the requirements of the final rule, EHs must report their demographic data from auditable sources. To ensure consistency and reliability, Alabama is requiring that hospital's use data from their hospital cost reports filed with CMS. There may be an instance where specific required demographic data may not be contained in the cost report, and in those instances, Alabama will permit the affected hospital to take that data from its general ledger. In those cases, the hospital must specify that the general ledger is the source of the data.

**9. How long must I retain the source documents for the data I reported for determining my program eligibility?**

**Answer:**

Both EPs and EHs must retain the documents they relied on and submitted to the State in applying for incentive payments for six (6) years.

**10. Will a provider who doesn't enroll in either the Medicaid or Medicare incentive program or who doesn't meet meaningful use requirements be penalized?**

**Answer:**

Only providers receiving incentives through Medicare will be penalized for not meeting meaningful use requirements. Providers can choose to opt out of both incentive programs, but will receive a reduction in Medicare reimbursement if they do not meet meaningful use standards by 2015. Medicaid reimbursements will not be affected.

**11. Can an EP receive both the Medicare EHR payment incentive as well as the Medicaid EHR payment incentive?**

**Answer:**

No, EPs may receive an incentive payment from either Medicaid or Medicare, but not both during the same calendar year. Eligible professionals can switch between the Medicare and Medicaid incentive programs once during the incentives program. The last year for making an incentive program switch is calendar year 2014.

**12. Can an EH receive both the Medicare EHR incentive payment as well as the Medicaid EHR incentive payment?**

**Answer:**

Yes. An EH that meets the requirements for both the Medicare and Medicaid EHR incentive payments may simultaneously participate in both programs and receive payments from both programs at the same time.

**13. What is the payment schedule for Medicaid eligible professionals?**

**Answer:**

<b>Payment Year</b>	<b>Maximum Payment</b>
Year 1	\$21,250
Year 2	\$8,500
Year 3	\$8,500
Year 4	\$8,500
Year 5	\$8,500
Year 6	\$8,500
Maximum	\$63,750

**14. If I see patients in more than one State, may I seek payments from each State?**

In Alabama, an EP may claim payments from only one State in any given payment year. An EP may; however, switch States and receive payment from the other State for a subsequent payment year as long as the other State's program requirements are met. Qualification for payments in one State does not mean you will automatically qualify in another State.

**15. If I am an EP or Group and have patients from other States in addition to my Alabama patients, may I count those patients in my encounters?**

**Answer:**

No. Alabama requires that EPs and Groups count ONLY their Alabama patients.

**16. If I am an Alabama EH and I have patients from other States, must I remove those out-of-State patients from my demographics?**

**Answer:**

No. Alabama understands that out-of-State patients have been aggregated into the hospital's cost reports and will not require that those patients be removed.

**17. What if my EHR system costs much more than the incentive the government will pay? May I request additional funds?**

**Answer:**

The Meaningful Use Incentive Payment Program final rule does not provide for incentive payments beyond the limits established by the ARRA, regardless of the cost of the EHR system chosen by eligible professionals or hospitals. The purpose of the incentive payments is to encourage the adoption and meaningful use of certified EHR technology, not to act as a reimbursement.

**18. When will eligible professionals begin receiving incentive payments for using certified EHRs?**

**Answer:**

Alabama Medicaid providers may begin registering for the Meaningful Use Incentive Payment Program in April 2011. They must first register with the National Level Repository (NLR) and 24 hours later may register at the Alabama State Level Registry (SLR). After a successful registration is completed and submitted to the State, approval and payment is initiated within 30 days.

**14. Do eligible professionals or hospitals with an existing EHR that was previously certified by a recognized and reputable organization have to buy a new system?**

**Answer:**

Regardless of the EMR/EHR system any EP or EH may already have, in order to participate in the Alabama incentive payment program, eligible professionals and hospitals must have EHR systems that meet the certification requirements established by the Office of the National Coordinator (ONC). For more information please see: [http://healthit.hhs.gov/portal/server.pt/community/healthit\\_hhs\\_gov\\_onc-authorized\\_testing\\_and\\_certification\\_bodies/3120](http://healthit.hhs.gov/portal/server.pt/community/healthit_hhs_gov_onc-authorized_testing_and_certification_bodies/3120)

**15. What is the ONC?**

**Answer:**

The Office of the National Coordinator for Health Information Technology (ONC) is the principal federal entity charged with coordination of nationwide efforts to implement and use the most advanced health information technology and the electronic exchange of health information. The ONC is organizationally located within the Office of the Secretary for the U.S. Department of Health and Human Services (HHS). The position of National Coordinator was created in 2004, through an Executive Order, and legislatively mandated in the Health Information Technology for Economic and Clinical Health Act (HITECH Act) of 2009. The ONC is the responsible agency for establishing EHR certification standards and certifying vendor EHR products.

**18. How will Medicaid eligible professionals apply for the Medicaid Incentive Program?**

**Answer:**

In Alabama, any EP/Group/EH wishing to apply for incentive payments must first register with the CMS National Level Repository (NLR). After 24 to 48 hours after NLR registration, the provider may then register at the Alabama State Level Registry (SLR). The Alabama SLR is scheduled for activation in April 2011. Educational materials and instructions for registration can be found at the Alabama Medicaid Agency's health information technology website at <http://onehealthrecord.alabama.gov>.

**19. Regarding the patient encounters threshold, will this be a requirement for individual providers, or a group requirement?**

**Answer:**

EPs may attest to either their own individual Medicaid patient volume or allow a group practice to use the groups' Medicaid patient volume and apply it to all eligible professionals in the practice. In order for group practices to do this they must meet the following conditions:

- The clinic or group practice's patient volume is appropriate as a patient volume methodology calculation for the eligible professional;
- There is an auditable data source to support the clinic's patient volume determination;
- The practice and eligible professionals decide to use one methodology in each year (in other words, clinics could not have some of the eligible professionals using their individual patient volume for patients seen at the clinic, while others use the clinic level data); and
- The clinic or practice must use the entire practice's patient volume and not limit it in any way.

**20. How will I receive my incentive payment?**

**Answer:**

Upon successful registration and attestation by the provider, there is a process that the State must follow to ensure that the provider meets program requirements and that the requisite documentation supports the provider's attestation. Once the State approves payment, a final check is performed with the National Level Repository (NLR) to ensure that the provider has not received intermediate sanctions and that payment has not been made in another state. Providers can anticipate payment within 30 days of successful registration and attestation. Payments will be issued via a check issued by the State of Alabama and mailed to the address the provider has indicated.

**21. Does my incentive payment have to go to my group or employer?**

**Answer:**

As part of the registration process at the National Level Repository, providers indicate to whom the payment should be issued. Alabama is requiring that any payment assignment must be made to an entity (individual or group) that is enrolled in the Medicaid system. It is the provider's decision as to whom the payment is made. Payment confirmation will be made as part of the provider's signed attestation form.

**22. Do states need to verify the "installation" or "a signed contract" for adopting, implementing, or upgrading a certified Electronic Health Record?**

**Answer:**

Providers will be required, as part of the state level registration and attestation process, to verify the "adoption, implementation or upgrade" (AIU) of a certified system.

Verification can be in the form of an invoice, contract, or letter from the vendor. The following is a list of documents that will be acceptable for verifying AIU: Receipts from EHR software vendors; sale contracts; service performance agreements; screen shot of the sign-on screen (showing software version); a copy of the upgrade agreement from EHR software vendors; vendor letters; work plans, cost reports. Other reasonable substantiating documents may be acceptable.

**23. What documentation will be required to support patient volume for EPs?**

**Answer:**

Providers must utilize auditable data sources to support their patient volume numbers. Alabama is not mandating any specific data sources; however, it is presumed that providers will likely rely on some sort of practice management software/system or other business record keeping system/documentation for patient scheduling and charges.

**24. If I provide services to a person that is an alien and I receive a Medicaid payment for those services, will those services still be considered encounters?**

**Answer:**

Presuming that the meaning of “alien”, in this context, means a person from another country that is legally residing in America and covered by Alabama Medicaid, then “yes”, those visits may be counted as encounters.

**25. If I render services to a patient in a nursing home as a nursing home visit and the place of service (POS) code is 31, will that count as an encounter?**

**Answer:**

Yes, services with a POS 31 are not excluded, by POS alone, from being counted as an encounter.

**26. When do a physician’s services with POS 21 not count as encounters?**

**Answer:**

Services with POS 21 and POS 23 are not automatically excluded from being counted as encounters by virtue of the POS. The POS 21 & 23, individually or in combination, are used to determine if 90% of the physician’s encounters are in a hospital in order to establish that the physician is hospital-based, and in which case, hospital-based physicians do not qualify as Eligible Providers.

**27. I do not have a full year of encounters for the past year; can I still qualify for the incentive program?**

**Answer:**

An EP does not need a full year of encounters to qualify for an incentive payment in the first and second payment years. You only need to have encounters within a continuous 90-day period within a single calendar year in order to establish your eligibility for your first and second payment years.

**28. I have a continuous 90-day period that I want to use to establish eligibility because it assures me of meeting the Medicaid patient volume requirement. The period is from December 1 through February 28. Can I use that continuous 90-day period?**

**Answer:**

No. The continuous 90-day period must begin and end within a single calendar year.

**29. If I need to choose a 90-day period for my representative period, how should I designate it?**

**Answer:**

In order to enhance prepayment verification of EP/Group Medicaid patient volumes, Alabama has selected two 90-day periods (Jan-Mar 2010, and Oct-Dec 2010) that EPs may choose from for determining their eligibility. If neither of those periods is appropriate for an EP or Group, they may select a different period. When choosing a 90-day representative period, you must first determine that the entire period, both the start and end dates, are within a single calendar year. Alabama requires that the start date must be on the first day of the month. You must then count 90 days, inclusive of the first day and the last day. You should be aware that a 90-day period is not necessarily the same as a 3-month period; thus, the last day of the period may not coincide with the last day of a month. For example, if the beginning of your 90-day period is March 1, the end of the 90-day period will be May 29, NOT May 31. Likewise, if your period begins February 1, the period will end on May 1, NOT April 30.

**30. Is there a requirement for an EP to have a full year of encounters for program eligibility, and if so, when does it apply?**

**Answer:**

The first payment year for EPs may be determined on a continuous 90-day period within a calendar year when based on AIU. In the EP's second payment year, which will be the first year for establishing meaningful use, the EP may again base eligibility on a continuous 90-day period within a calendar year. In the EP's third payment year, or second year for meaningful use, the EP's eligibility must be based on the entire calendar year.

**31. If I joined my group at such a time that I do not have a full continuous 90-day period to consider for eligibility, can my encounters still be counted as part of the group's total encounters?**

**Answer:**

No. Eligibility is based on the individual EP, and even if application is being made as a group, the group must utilize the combination of all individual member EPs. If an EP is ineligible to apply as an individual EP, then that EP may not be counted as part of the group. As a result, if ALL members of the group cannot be included with the group, then there can be NO group registration and the members will have to register as individual EPs.

**32. If I am a member of a group and I have the option of applying for an incentive payment as an individual EP, is there an advantage to me in being included as part of the group instead?**

**Answer:**

When a group applies for the incentive payments, it will aggregate the patient volumes of all members of the group. That total will then be evenly apportioned to each member of the group. Therefore, each member will receive the benefit of the group's total to ensure each member meets the patient volume requirement. This will benefit an individual member whose practice within the group does not provide sufficient Medicaid volume to otherwise qualify.

**33. I am ready to submit my application for an incentive payment; will I be able to register as soon as the State SLR is ready?**

**Answer:**

You must first register with CMS at the National Level Repository (NLR) as a prerequisite to State registration. If you attempt to register at the Alabama State Level Registry (SLR) before registering at the NLR, your attempt at SLR registration will be rejected. SLR registration includes automatic confirmation of prior NLR registration. Without a confirmation from the NLR, the State registration cannot be accomplished.

**34. I am a physician and more than 50% of my services are rendered in a hospital setting. I am in the process of starting my own practice or joining a group. Must I wait until I can establish my patient volume outside the hospital or can I apply now?**

**Answer:**

A physician will not be eligible for an incentive payment if 90% or more of the practice is hospital-based, e.g. have Place of Service (POS) Codes 21 & 23. As long as the practice has less than 90% hospital-based services, the physician may apply for an incentive payment. Therefore, you may apply now and count your hospital-based encounters as long as they are less than 90% of your practice.

**35. We are attempting to determine the correct figures for our totals for inpatient bed days and discharges and have been told that nursery and swing bed days must be excluded. Is that correct?**

**Answer:**

Yes. The Final Rule specifically states that nursery and swing beds must not be included in an EH's inpatient bed days and discharges count.

**36. The group I am a part of has changed ownership and has a new NPI and TIN. Can we still use the practice information under the old group in our application?**

**Answer:**

(a) If you will be applying as an individual EP, then you may use your encounter information from the old group, the new group or both depending on how your continuous 90-day period falls. If your 90-day period overlaps the change in ownership, you may still use that information.  
(b) If your group is applying, the group must be a current Alabama Medicaid provider. If your old group is still a current Alabama Medicaid provider and you wish to be a part of that group's application, you may do so; but only the encounters that occurred under that prior group may be counted as part of that group. If that group is not a current Alabama Medicaid provider, then there can be no group application under that name.

(c) If your group wishes to apply under the current group organization, the current group must be a current Alabama Medicaid provider and has operated as such for the requisite continuous 90-day period.

**37. I was a member of a different group for part of the last year; can I assign all or part of my incentive payment to my prior group, or divide it between my old group and my new group?**

**Answer:**

(a) You may assign your incentive payment to any current Alabama Medicaid provider. If your old group is a current Alabama Medicaid provider, then you may assign your payment to that old group.

(b) If you choose to assign your incentive payment to another current Alabama Medicaid provider, then you will be assigning the entire amount. Alabama will not permit splitting the incentive payment in any manner.