

# **Medicare This Week: A Roar (Meaningful Use Stage 2) and A Sigh (Medicare Doc Fix)**

Two recent Medicare announcements made a sound in healthcare, one a roar and the other, barely a sigh.

## **Medicare Physician Pay Cut Delayed to 2013**

First, the sigh. The Medicare physician payment cut has been delayed until the end of the 2012, but the last-minute tagalong to the payroll bill warranted hardly a sentence in the stories of the 2012 payroll tax holiday extension. Although the delay will most likely keep many physicians in the Medicare program, there still remains a permanent fix to be addressed.

“House Republicans introduced the Payroll Tax Cut Continuation Act of 2012 as a stand-alone payroll tax cut bill without an extension of unemployment benefits and a Medicare “doc fix.” Last-minute negotiations added an extension of unemployment benefits and the Medicare “doc fix” (as well as a name-change for the bill to the Middle Class Tax Relief and Job Creation Act of 2012).” [Read the full CCH Coverage Here](#)

## **Meaningful Use Gets More Meaningful**

Next, the roar. The proposed rule for Stage 2 of Meaningful Use was unveiled and a 60-day comment period on the proposal has begun. The start date for Stage 2 of the program will tentatively extend from 2013 to 2014 to permit Eligible Professionals attesting in 2011 an additional year to move to the more rigorous Stage 2 requirements.

From the HHS Announcement:

Health and Human Services Secretary Kathleen Sebelius today announced the next steps for providers who are using electronic health record (EHR) technology and receiving incentive payments from Medicare and Medicaid. These proposed rules, from the Centers for Medicaid & Medicare Services (CMS) and the Office of the National Coordinator for Health Information Technology (ONC), will govern stage 2 of the Medicare and Medicaid Electronic Health Record Incentive Programs.

“We know that broader adoption of electronic health records can save our health care system money, save time for doctors and hospitals, and save lives,” said Secretary Sebelius. “We have seen great success and momentum as we’ve taken the first steps toward adoption of this critical technology. As we move into the next stage, we are encouraging even more providers to participate and support more coordinated, patient-centered care.”

Under the Health Information Technology for Economic and Clinical Health (HITECH) Act, part of the American Recovery and Reinvestment Act of 2009, eligible health care professionals and hospitals can qualify for Medicare and Medicaid incentive payments when they adopt certified EHR technology and use it in a meaningful way. What is considered “meaningful use” is evolving in three stages:

- **Stage 1 (which began in 2011 and remains the starting point for all providers):** “meaningful use” consists of transferring data to EHRs and being able to share information, including electronic copies and visit summaries for patients.
- **Stage 2 (to be implemented in 2014 under the proposed rule):** “meaningful use” includes new standards such as online access for patients to their health information, and electronic health information exchange between

providers.

- **Stage 3 (expected to be implemented in 2016):**  
“meaningful use” includes demonstrating that the quality of health care has been improved.

CMS’ proposed rule specifies the stage 2 criteria that eligible providers must meet in order to qualify for Medicare and/or Medicaid EHR incentive payments. It also specifies Medicare payment adjustments that, beginning in 2015, providers will face if they fail to demonstrate meaningful use of certified EHR technology and fail to meet other program participation requirements. In a November 2011 “We Can’t Wait” announcement (<http://www.hhs.gov/news/press/2011pres/11/20111130a.html>), the Department outlined plans to provide an additional year for providers who attested to meaningful use in 2011. Under today’s proposed rule, stage 1 has been extended an additional year, allowing providers to attest to stage 2 in 2014, instead of in 2013. The proposed rule announced by ONC identifies standards and criteria for the certification of EHR technology, so eligible professionals and hospitals can be sure that the systems they adopt are capable of performing the required functions to demonstrate either stage of meaningful use that would be in effect starting in 2014.

“Through the Medicare and Medicaid EHR Incentive Programs, we’ve seen incredible progress as over 43,000 providers have received \$3.1 billion to help make the transition to electronic health records,” said CMS Acting Administrator Marilyn Tavenner. “There is great momentum as the number of providers adopting this technology grows every month. Today’s announcement will help ensure broad participation and success of the program, as we move toward full adoption of this money-saving and life-saving technology.”

“The proposed rules for stage 2 for meaningful use and updated certification criteria largely reflect the recommendations from the Health IT Policy and Standards Committees, the

federal advisory committees that operate through a transparent process with broad public input from all key stakeholders. Their recommendations emphasized the desire to increase health information exchange, increase patient and family engagement, and better align reporting requirements with other HHS programs,” said Farzad Mostashari, MD, ScM, National Coordinator for Health Information Technology. “The proposed rules announced today will continue down the path stage 1 established by focusing on value-added ways in which EHR systems can help providers deliver care which is more coordinated, safer, patient-centered, and efficient.”

The number of hospitals using EHRs has more than doubled in the last two years from 16 to 35 percent between 2009 and 2011. Eighty-five percent of hospitals now report that by 2015 they intend to take advantage of the incentive payments.

A technical fact sheet on CMS’s proposed rule is available at [http://www.cms.gov/apps/media/fact\\_sheets.asp](http://www.cms.gov/apps/media/fact_sheets.asp).

A technical fact sheet on ONC’s standards and certification criteria proposed rule is available at <http://www.healthit.gov/policy-research>.

The proposed rules announced today may be viewed at [www.ofr.gov/inspection.aspx](http://www.ofr.gov/inspection.aspx). Comments are due 60 days after publication in the Federal Register.