

ALERT

Medical Economics: Transparency of President's HIT Bill



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Well, it is official; President Obama has signed the American Recovery and Reimbursement Act of 2009, which includes \$20 billion for Healthcare IT. What this means for physicians is the purchase of an Electronic Medical Record (EMR) through a conditional "IOU."

Here are some of the details of the legislation and its potential impact to physicians.

First off, it is voluntary and the government is not requiring a physician to purchase an EMR. You are free to select a digital solution that best meets your needs. The incentive is a maximum of \$44,000 per physician, depending on when you implement the EMR, and is paid out over five years.



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It is necessary to weigh the value of these payments against the costs of purchasing an EMR, especially one you might otherwise not select due to capital costs, implementation challenges, and negative impact on physician productivity and practice efficiency.

Next, if you qualify you are required to adopt specific standards of Electronic Health Records (EHR) technology – calling it "meaningful use." Meaningful use requires that you demonstrate to the satisfaction of the Secretary of Health and Human Services these certain capabilities, which include ePrescribing, interoperability and reporting. The standards will be developed by the government by year end; however, they will likely be in line with the current Certification Commission for Healthcare Information Technology (CCHIT) criteria.

What you may not know is the law states that meaningful use become more stringent each year, but it does not make clear how measurements will be defined, evaluated, and enforced.



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The earliest payment year is 2011. Payment schedule is as follows:

- Year 1: \$15,000 or \$18,000
- Year 2: \$12,000
- Year 3: \$8,000
- Year 4: \$4,000
- Year 5: \$2,000 (average of \$8,800 per year)

To receive the full amount, the EMR must be implemented by 2012. To receive any incentive payments the EMR must be implemented by 2014. No payments are made after 2016. Also, in 2015, a one percent reduction in Medicare Reimbursement will affect non-participants, which increases to two percent in 2016 and three percent in 2017.

As you would imagine anything offered by the federal government is not always physician friendly. The incentive to participate in this "IOU" has significant risk which falls entirely on the physicians and medical practices. Purchasing one of these does not guarantee any incentive payment. If you cannot prove that you are actually using the EMR in the way, and to the full extent, that the government is "looking" for, and to the full extent that the government requires, you will not qualify for the government payments. In fact, it is quite possible you could prove that you meet meaningful use in the beginning, but as the law changes to become more stringent, you could be forfeiting any future payments.

If there is one lesson that we should have learned with any federal programs for healthcare, be prepared for the government's proverbial "carrot and stick." For further information or clarification on how this Bill can or will directly affect your practice, please call your LBA professional at 904.396.4015.



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