

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

Updated July 13, 2010

1. 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 incentive 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.

Some people refer to this program as HITECH. This designation is the section of ARRA that applies to healthcare technology. The HIT provisions of the Recovery Act are found primarily in Title XIII, Division A, Health Information Technology, and in Title IV of Division B, Medicare and Medicaid Health Information Technology. These titles together are cited as the Health Information Technology for Economic and Clinical Health Act or the HITECH Act.

Physicians must use a "certified" EHR, and will have to demonstrate "meaningful use" of that EHR software over a 90-day period.

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).

2. 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 \$63,750 to go shop for an EHR.** They can qualify for those payments over 5 years starting in 2011.

3. How Can Physicians Get Paid Under ARRA?

Eligible Physicians will need to use a "certified" EHR and demonstrate "meaningful use" through a specific selection of the 25 meaningful use criteria as outlined in the Final Rule issued in July. Based on meeting those requirements, physicians will receive a bonus or incentive payment from CMS (Medicare) or from Medicaid in 2011 through 2015.

