

Louisiana Medicaid EHR Incentive Program  
National Conference of State Legislatures

 **DEPARTMENT OF  
HEALTH  
AND HOSPITALS**

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**1** **PROGRAM OVERVIEW**

LOUISIANA DEPARTMENT OF HEALTH AND HOSPITALS 2

## Who's Eligible?

- Eligible professionals (EPs) include:  
Physicians, Nurse Practitioners (NPs), Certified Nurse Midwives (CNMs), Dentists, and Physician Assistants when practicing at an FQHC/RHC that is led by a PA. Required Medicaid patient volume thresholds:
  - Physicians 30%, Pediatricians 20%, Dentists 30%, CNMs 30%, NPs 30% and PAs 30% when practicing at FQHC/RHC that is led by PA; or
  - EPs practicing predominantly in an FQHC/RHC and have at least 30% patient volume attributable to needy individuals.
- Eligible Hospitals include:
  - Acute care hospitals must meet patient volume threshold:
    - Health care facility where LOS is  $\leq 25$  days
    - Includes some specialty hospitals where the average LOS  $\leq 25$  days
    - Medicare CCN # with last four digits in the series 0001 thru 0879
  - Children's hospitals - no patient volume Medicare CCN# 3300 thru 3399

## Incentive Payments to Eligible Professionals

- Eligible professionals:
  - Must waive rights to duplicative EHR incentive payments
  - Allowed to switch between Medicaid and Medicare once, except for RHC and FQHCs which qualify only for Medicaid
- Incentive Payments
  - May receive up to 85 percent of the net average allowable (purchase, implement or upgrade) costs for certified EHR technology, including support and training (determined on the basis of studies that the Secretary will undertake), up to a maximum level
  - Incentive Program starts in 2011 and ends in 2021
  - Provides for payments of up to \$63,750 (85% average allowable costs over 6 years)
    - 1<sup>st</sup> year payment of \$21,250; years 2-6 \$8500 each
    - Pediatricians, who are not hospital-based, and who have at least 20% Medicaid patient volume may receive only up to 2/3 of the above payments
- Matching funds:
  - Remaining 15% match for allowable costs must be paid for by providers
  - DHH administration of Medicaid incentives will be matched 90% by federal government
  - Incentive payments themselves are 100% federal pass-thru

# Incentive Payments to Hospitals

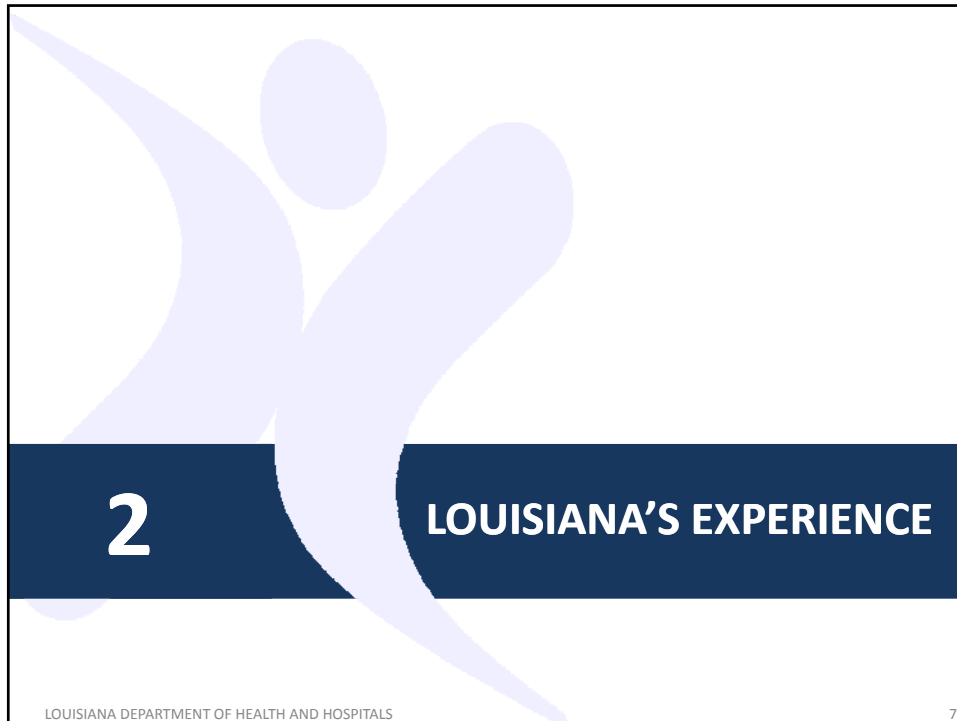
- Eligible Hospitals
  - Can receive both Medicaid and Medicare incentive payments
  - Eligibility criteria is the same for Medicaid as it is for Medicare unless State decides to make changes – CMS advises against
  - Adoption must begin by 2015 to be eligible.
- Incentive Payments
  - Payment Formula
    - Base of \$2,000,000
    - \$200 for each base-year admit from 1,150 up to 23,000 admits
    - Medicaid patient-day mix as calculated by formula
    - Transition factor which decreases .25 each year from 1.0.
    - For example, a hospital with 5,000 admissions and 30% Medicaid patient-day mix in the second year of payment would receive:  
$$\$2,000,000 + (\$200 \times 5000) \times 0.35 \times (1.0 - 0.25) = \$787,500$$
- Matching funds:
  - Remaining 15% match for allowable costs must be paid for by providers
  - DHH administration of Medicaid incentives will be matched 90% by federal government
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# Activities Required for Incentives

- Adopt, Implement, Upgrade (AIU)
  - First participation year only
  - Adopt – acquire, purchase and install an EHR
  - Implement – actually use e.g., staff training, data entry of patient demographics, data use agreements
  - Upgrade – If already have, must upgrade to current version e.g., ONC EHR certification or additional support such as clinical support or HIE capacity

## Meaningful Use (MU)

- Subsequent participation years
- Use of certified EHR technology in a meaningful way such as e-prescribing (Stage 1)
- Certified EHR is connected to allow for electronic exchange (Stage 2)
- Technology must allow for submission of clinical quality measures in approved format (Stage 3)

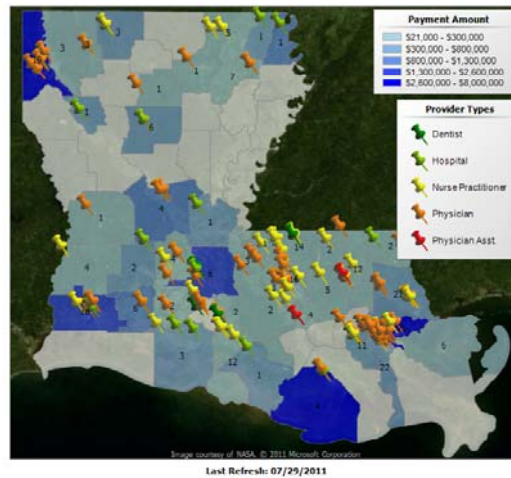


## Accomplishments

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1. 1<sup>st</sup> state to have an approved I-APD.
2. Went live on January 1<sup>st</sup>, 2011
3. 1<sup>st</sup> state to make an incentive payment to an FQHC.
4. 4<sup>th</sup> State to make an incentive payment.
5. Have paid out more than \$33 in incentives with minimal staff support and significantly under budget.

# Payments Made



# Payments

## EHR Incentives Payment by Provider Type

Provider Type	# of Providers	Payment Amount
Hospital	21 (6.5%)	\$27,450,545 ( 81.2%)
Physician	195 (60.7%)	\$4,136,667 ( 12.2%)
Nurse Practitioner	87 (27.1%)	\$1,848,750 ( 5.5%)
Dentist	10 (3.1%)	\$212,500 ( 0.6%)
Physician Asst.	8 (2.5%)	\$170,000 ( 0.5%)
<b>TOTAL:</b>	<b>321</b>	<b>\$33,818,462</b>

Last Refresh: 7/29/2011

## Why adopt EHRs?

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- Studies have estimated that up to 100,000 avoidable medical errors, such as dispensing improper medication, mislabeling test results or misreading handwritten treatment instructions, occur each year.
- EHRs are a central component of any HIE because they help medical professionals share information about patients easily, and allow them to spend less time filling out paperwork and more time providing care.
- Prior to the ARRA program, only 38% of physician reported having an EHR and only 4% reported using a fully functional EHR.
- US is far behind other countries. Estimates of ambulatory EHR use in Austria, Belgium and Australia are 75%, 78% and 79-90% respectively while Denmark, England, Finland, the Netherlands and New Zealand have reported rates above 90%.

Source: *Health information technology in the United States: Where we stand, 2008*. Robert Wood Johnson Foundation, 2008.

## Challenges

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- Budget constraints continue to exert pressure on administration to reduce staff to implement program
- Stage 2 meaningful use has been delayed
- Provider education and outreach
- While the list of certified products continues to grow, there is still only one certified behavioral health product and one certified dental product