

## STATE REGULATED PAYOR INCENTIVES FOR ELECTRONIC HEALTH RECORDS

### Overview

Maryland is the first state to require that certain state-regulated payors provide incentives to select health care providers to promote the adoption of electronic health records (EHRs) with the passage of House Bill 706



*Electronic Health Records – Regulation and Reimbursement* during the 2009 legislative session. These state payor incentives were promulgated into COMAR 10.25.16, *Electronic Health Record Incentives*. In 2011, House Bill 736 – Electronic Health Records – Incentives for Health care

Providers – Regulations was signed into law to further clarify the incentive program. The Maryland Health Care Commission (MHCC) worked with the following six largest private payors in the state to establish the EHR adoption incentive program: Aetna, CareFirst BlueCross BlueShield, Cigna HealthCare Mid-Atlantic, Coventry Health Care, Kaiser Permanente, and United Healthcare, Mid Atlantic Region. The EHR adoption incentive is a one-time cash incentive for primary care practices calculated per payor. Practices are eligible to receive a *Base Incentive* up to \$7,500 and an *Additional Incentive* up to \$7,500 for a total maximum monetary value of \$15,000 per payor.

### Practice Eligibility

Incentives are available to primary care practices in Maryland. Primary care practices include family, general, geriatric, internal medicine, pediatric, or gynecologic practices.

### EHR Eligibility

The EHR must be certified by an Office of the National Coordinator (ONC) - Authorized Testing and Certification Body; have the capacity to: provide clinical decision support; support physician order entry; capture and query information relevant to health care quality; and exchange and integrate electronic health information.

### Available Incentive

The incentive will be cash unless an incentive of equivalent value is agreed by the practice and the payor. The incentive of equivalent value can include: specific services; gain-sharing arrangements; rewards for quality and efficiency; in-kind payments; or other items or services that can be assigned a specific monetary value. The aggregate payment amount includes a *Base Incentive* and an *Additional Incentive*.

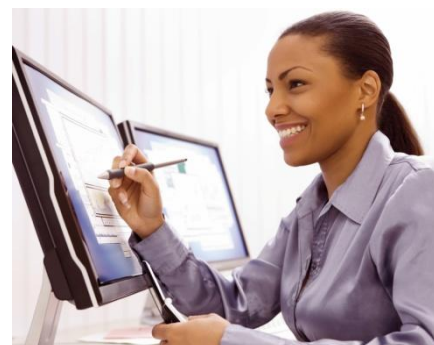
#### *Base Incentive*

The *Base Incentive* is calculated by the number of payor members treated by the practice based on a per member amount. Incentives are calculated at \$8 for each Maryland resident on the practice panel who is a member of the payor at the time a practice makes a request for the incentive payment. In cases where the payor does not assign a primary care provider, the members treated by the practice in the last 24 months will qualify for the base incentive calculation.

#### *Additional Incentive*

An *Additional Incentive* may be available to practices that have achieved one of the following in the immediate 90 days prior to submitting the payment request:

- Contracts with a State Designated Management Service Organization (MSO) or MSO in Candidacy Status for EHR adoption or implementation services;
- Participates in a quality improvement outcomes initiative and achieves established performance goals; or
- Demonstrates advance use of an EHR



## How Practices Apply for the State-Regulated Payor EHR Adoption Incentive

### Submit an Application

Practices will submit an *EHR Adoption Incentive Application* (application) at least six months in advance of requesting an EHR adoption incentive. The payor will issue an EHR adoption incentive application acknowledgement letter within 90 days of receipt of the application.

Practices can apply for the one-time incentive between October 21, 2011 and December 31, 2014 by submitting an application to the appropriate payor or payors. The application will include, among other things:

- General practice information;
- The estimated number of members on the practice's panel or the number of members treated by the practice in the last 24 months;
- The name and version of the certified EHR in use at the practice;
- A description of EHR functions that the practice uses or the anticipated dates of implementation;
- A signed attestation.

### Request the Incentive

In addition to the application, practices will submit an *EHR Adoption Incentive Payment Request* (payment request) to the appropriate payor(s) to request the incentive payment. Practices may request an incentive approximately six months after submitting their application but no later than December 31, 2014. Payors will process and pay in full the payment request within 90 days of receipt and will notify practices of the incentive value, how it will be distributed to the practice, and over what time period.

Payors may request additional information to validate the payment request. The payment request will include, among other things:

- A copy of the payor's application acknowledgement letter;
- A report listing the members on the practice panel at the time of request;
- In cases where a payor does not assign members to a practice, a list of the payors' members treated by the practice within the last 24 months;
- A description of EHR functions that the practice uses for additional incentives; and
- A signed attestation.

### Additional Information

- Practices have the option to request the *Base Incentive* and the *Additional Incentive* at the same time or request the *Additional Incentive* in a subsequent payment request.
- Payors may exclude a member from the incentive calculation for a practice if they were previously included in another practice's incentive calculation
- Payors may request additional information from a practice to validate an incentive claim and to reduce payments to a practice where a payor determines that a duplicate and/or overpayment has been made



House Bill 706, *Electronic Health Records – Regulation and Reimbursement:*

[http://mhcc.maryland.gov/electronichealth/hb706\\_legislative\\_update/index.html](http://mhcc.maryland.gov/electronichealth/hb706_legislative_update/index.html)

State-Regulated EHR Adoption Incentive Program website:

<http://mhcc.maryland.gov/electronichealth/stateincentive/stateehrincentive.html>