Electronic Health Records:
An Update on Adoption and Incentives Paid by State-Regulated Payors

An Information Brief
July 2018

Overview

COMAR 10.25.16, Electronic Health Record Incentives\(^1\) outlines requirements for a Payor Electronic Health Record (EHR) Incentive Program (or program).\(^2\) The program requires certain State-regulated payors\(^3\) to make available financial incentives to eligible practices with the goal of increasing adoption and meaningful use\(^4\) of Certified EHR Technology (CEHRT)\(^5\) the State. Implemented in 2011, the program augments federal efforts to foster broad adoption of EHRs.\(^6\) The program sunsets at the end of 2018.

Criteria for Incentives

Physicians and nurse practitioner-led practices providing health care services relating to family, general, geriatric, internal medicine, pediatric, or obstetrics and gynecology are eligible for incentives. Incentives consist of a one-time payment of $25 per patient for a maximum of $15,000 per practice per payor; patients must be a member (or subscriber) to a payor and listed on an eligible practice’s patient panel.\(^7\) Practices must demonstrate they have either: 1) attested to federal meaningful use requirements;\(^8\) or 2) participate in an MHCC-approved patient centered medical home (PCMH) program, and have achieved National Committee for Quality Assurance (NCQA) PCMH level two recognition.\(^9\), \(^10\)

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\(^1\) COMAR 10.25.16. Available at: [www.dsd.state.md.us/comar/SubtitleSearch.aspx?search=10.25.16](http://www.dsd.state.md.us/comar/SubtitleSearch.aspx?search=10.25.16).

\(^2\) The regulations were developed based on feedback received from health care providers and State-regulated payors and adopted by the Maryland Health Care Commission in May 2011.

\(^3\) Payors include: Aetna, CareFirst BlueCross BlueShield, Cigna HealthCare Mid-Atlantic, Coventry Health Care, Kaiser Permanente, and UnitedHealthCare, Mid-Atlantic Region.

\(^4\) HITECH introduced a meaningful use program that requires use of CEHRT and outlines objectives that must be achieved to earn financial incentives. For more information, visit: [www.healthit.gov/providers-professionals/meaningful-use-definition-objectives](http://www.healthit.gov/providers-professionals/meaningful-use-definition-objectives).

\(^5\) CEHRT meets the technological capability, functionality, and security requirements adopted by the Department of Health and Human Services. The Office of the National Coordinator for Health Information Technology (Health IT) Certification Program is a voluntary program for the certification of health IT standards, implementation specifications, and certification criteria. This program supports the availability of certified EHRs that is required to demonstrate meaningful use and participate in most alternative payment models under the purview of federal, state and private entities. For more information, visit: [www.healthit.gov/policy-researchers-implementers/about-onc-health-it-certification-program](http://www.healthit.gov/policy-researchers-implementers/about-onc-health-it-certification-program).


\(^7\) A practice panel is defined as patients who are Maryland residents and enrolled in a fully insured health benefit plan assigned by the payor to a provider within the practice at the time a practice makes a request for the incentive payment. In cases where the payor does not assign patients to a provider, the fully-insured patients enrolled with that payor who are Maryland residents and have been treated by the practice in the last 24 months can be included in the incentive calculation.

\(^8\) At least one physician or nurse practitioner within the practice has achieved the meaningful use requirement under the Promoting Interoperability Programs and has received confirmation of the attestation from the Centers for Medicare and Medicaid Services or the Maryland Medical Assistance Program (Medicaid).

\(^9\) NCQA defines a PCMH as a model of care that puts patients at the forefront of care and builds better relationships between patients and their clinical care teams. Available at: [www.ncqa.org/programs/recognition/practices/patient-centered-medical-home-pcmh](http://www.ncqa.org/programs/recognition/practices/patient-centered-medical-home-pcmh).

\(^10\) Practices must have met NCQA’s 2011 or later standards for at least level two PCMH recognition.
About this Information Brief

The MHCC analyzed data on incentives paid by program reporting periods from October 2011 through December 2017. Information from the Maryland Board of Physicians license renewal applications was used to assess growth in EHR adoption by practices statewide. Incentive payments are grouped by reporting periods. This information brief includes details on total incentives paid as of December 2017.

Observations

The program has moderately influenced EHR adoption statewide. At inception of the program (2011), about 40 percent of Maryland primary care physicians had adopted an EHR. As of 2016, EHR adoption had increased to approximately 79 percent, exceeding the national average by about 21 percent. This increase was most significant in the first three years of the program when adoption grew by more than 30 percent. During the first two reporting periods, incentives totaled $7.47 million increasing by about 21 percent from October 2011 to September 2014. In subsequent years, EHR adoption increased gradually and the number of payments diminished. This is somewhat attributed to the nearly 18-months it can take to implement an EHR, and challenges around accumulating 90-days of data to meet required reporting thresholds on select measures for meaningful use (Figure 1). All combined, payors have made more than 1,900 payments to practices since 2011, amounting to roughly $10.2 million, or an average of $21,611 in incentives received by practices (Figure 2).16

![Figure 1: Incentive Payments and EHR Adoption](image)


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11 Incentives payments are reported by payors annually within three months following the end of the calendar year, or when requested by MHCC.
12 Renewal applications include questions about practice location, size, specialty, and health IT adoption, among others. Responses to questions in the application used for this analysis are self-reported and are not audited. Responses may be influenced by physician’s interpretation of the questions.
13 Maryland Board of Physicians licensure data, 2010-2011.
15 The national adoption rate of 58 percent is based on 2015 data for use of a basic EHR. Available at: [cde.gov/nchs/data/ahcd/nehrs/2015_nehrs_ehr_by_specialty.pdf](http://cde.gov/nchs/data/ahcd/nehrs/2015_nehrs_ehr_by_specialty.pdf).
16 Incentive payments were made to 474 unique practices. See Appendix A for more information.
Looking Forward

The Payor EHR incentive program coupled with federal programs has helped support EHR adoption across the State. As the program concludes, there is need to increase momentum in leveraging investments in EHR technology, especially as Maryland embarks on the Total Cost of Care Model that incorporates non-hospital provider types. The MHCC will continue to collaborate with stakeholders, including the Maryland Department of Health; MedChi, the Maryland State Medical Society; and the State-Designated Health Information Exchange to support smaller, independent practices in implementing EHRs.

Notes: Number of payments by payors: Aetna (382), CareFirst (468), Cigna (397), Coventry (254), Kaiser (51), and United (349).

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17 EHRs require a dramatic shift in the way practices deliver care, a key component of practice transformation and fundamental to achieving the goals of the Maryland Total Cost of Care Model set to begin in 2019.
## Appendix A

The table below details incentive payments by payors for each program reporting period.

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<tbody>
<tr>
<td></td>
<td>18 months</td>
<td>19 months</td>
<td>17 months</td>
<td>12 months</td>
<td>12 months</td>
<td>74 months</td>
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<tr>
<td>Aetna, Inc.</td>
<td>84</td>
<td>153</td>
<td>89</td>
<td>46</td>
<td>10</td>
<td>382</td>
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<td></td>
<td>848,842</td>
<td>1,401,039</td>
<td>267,390</td>
<td>112,725</td>
<td>52,650</td>
<td>2,682,646</td>
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<td>CareFirst BlueCross BlueShield</td>
<td>86</td>
<td>182</td>
<td>127</td>
<td>54</td>
<td>19</td>
<td>468</td>
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<tr>
<td></td>
<td>932,736</td>
<td>1,957,016</td>
<td>838,025</td>
<td>390,925</td>
<td>159,500</td>
<td>4,278,202</td>
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<td>CIGNA Health Care Mid-Atlantic Region</td>
<td>80</td>
<td>165</td>
<td>92</td>
<td>52</td>
<td>8</td>
<td>397</td>
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<td></td>
<td>31,412</td>
<td>116,137</td>
<td>96,176</td>
<td>32,950</td>
<td>21,900</td>
<td>298,575</td>
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<tr>
<td>Coventry Health Care</td>
<td>70</td>
<td>96</td>
<td>49</td>
<td>31</td>
<td>8</td>
<td>254</td>
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<td></td>
<td>551,592</td>
<td>778,968</td>
<td>39,200</td>
<td>21,425</td>
<td>17,775</td>
<td>1,408,960</td>
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<td>Kaiser Permanente</td>
<td>5</td>
<td>27</td>
<td>15</td>
<td>3</td>
<td>1</td>
<td>51</td>
</tr>
<tr>
<td></td>
<td>39,228</td>
<td>155,952</td>
<td>47,879</td>
<td>650</td>
<td>3,600</td>
<td>247,309</td>
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<tr>
<td>UnitedHealthcare, MidAtlantic Region</td>
<td>85</td>
<td>121</td>
<td>89</td>
<td>48</td>
<td>6</td>
<td>349</td>
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<tr>
<td></td>
<td>247,584</td>
<td>416,824</td>
<td>275,367</td>
<td>143,300</td>
<td>245,000</td>
<td>1,328,075</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>410</strong></td>
<td><strong>744</strong></td>
<td><strong>461</strong></td>
<td><strong>234</strong></td>
<td><strong>52</strong></td>
<td><strong>1,901</strong></td>
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<td><strong>2,651,394</strong></td>
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<td><strong>701,975</strong></td>
<td><strong>500,425</strong></td>
<td><strong>10,243,767</strong></td>
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</tbody>
</table>

Notes: In total, payments were made to 474 unique practices and roughly 19 percent of the 2,483 practices in the State have received an incentive payment.