

PROGRAM DESCRIPTION

Department: Social Services

HB Section(s): 11.625

Program Name: Electronic Health Records (EHR) Incentives

Program is found in the following core budget(s): Electronic Health Records Incentives

1a. What strategic priority does this program address?

Encourage provider use of Electronic Health Records (EHR) to transform Medicaid.

1b. What does this program do?

This program provides incentives to certain Medicaid providers for the purchase and use of certified EHR systems to promote interoperability and facilitate the exchange of electronic health information. Incentive payments are intended to offset the cost of implementing EHR systems.

Payments are spread over three years for hospitals and six years for professionals, including physicians, dentists, nurse practitioners, certified nurse midwives, and physician assistants. On average, hospitals that participate all three years receive \$1.5 million total, distributed in three payments with 50% paid in the first year, 35% in the second and 15% in the third. Professionals can receive up to \$63,750 total, if they participate for six years, which is the maximum number of years allowed. In order to receive each additional payment, providers are required to demonstrate meaningful use (MU) of the systems by reporting on specific measures. Examples of MU include submitting data to public health registries, providing patients with electronic access to their records and secure electronic messaging, and sending a summary of care record for patients that transition to another setting.

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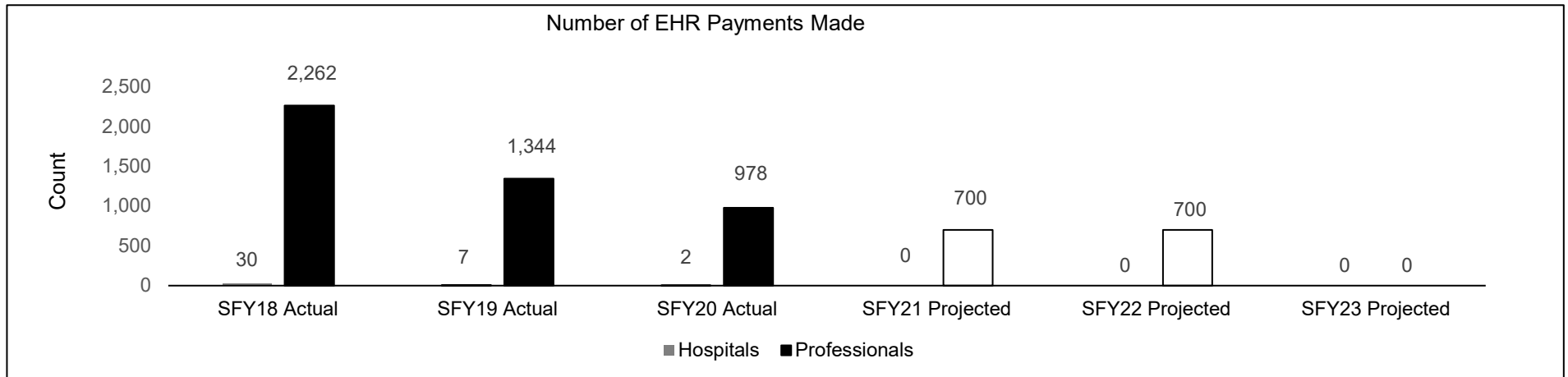
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2a. Provide an activity measure for the program.

In SFY20, two incentive payments were made to hospitals in the amount of \$166,150 and 978 incentive payments were made to professionals in the amount of \$8.28 million. All of Missouri's hospitals that participated in the EHR Incentive Program received all of the payments they were eligible for in SFY20. Program Year 2019 is being evaluated and payments are underway. All providers must meet Stage 3 Meaningful Use requirements for the first time in Program Year 2019. This, in combination with the pressures on healthcare providers related to COVID-19, has led to very low participation in the program. It is anticipated that no more than 700 providers will successfully complete program requirements in SFY21 as well as SFY22, when the program ends.



Note: Participation in the program has and will continue to decline due to the program winding down in September 2021, increased difficulty of requirements, and pressures on healthcare staff and resources due to COVID-19. MHD allowed four extra months but participation was still low. No SFY23 projections provided as program ends September 2021.

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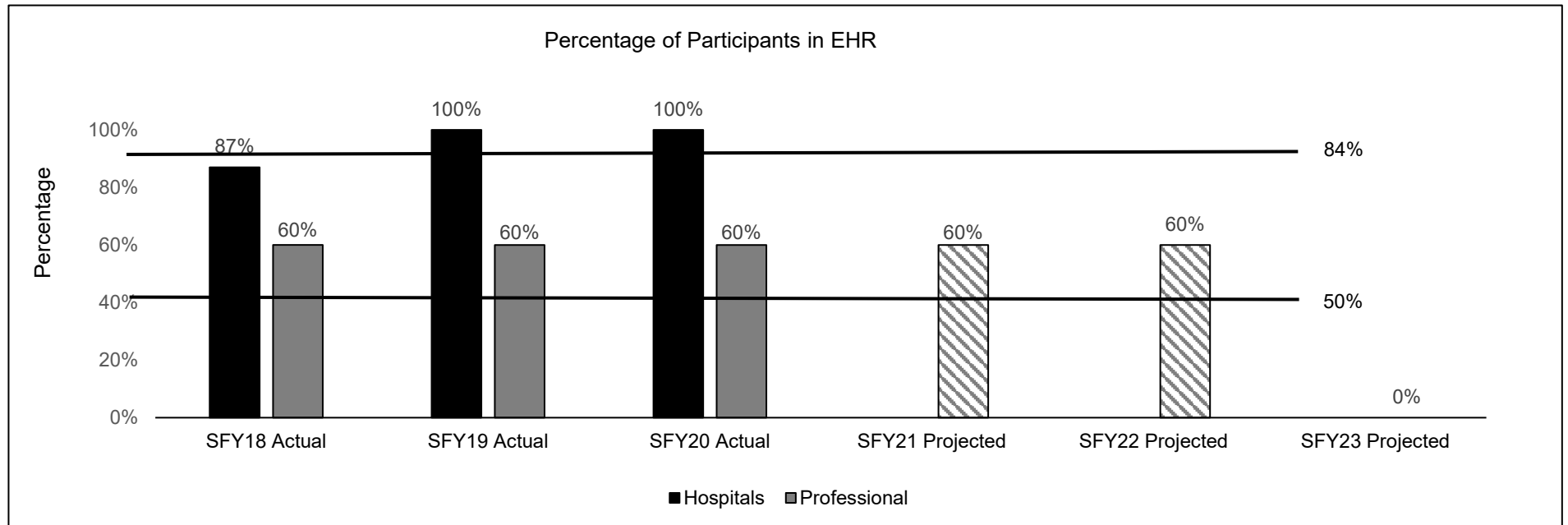
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2b. Provide a measure of the program's quality.

Among participants in the program in SFY20, 60% of eligible professionals and 100% of eligible hospitals that participated in the program have met meaningful use (MU) requirements. The national average for professionals is 50%, the national average for hospitals is 84%. Note: SFY19 and SFY20 had low participation among hospitals so the percentages shown represent small numbers.



No SFY23 projections provided as program ends September 2021.

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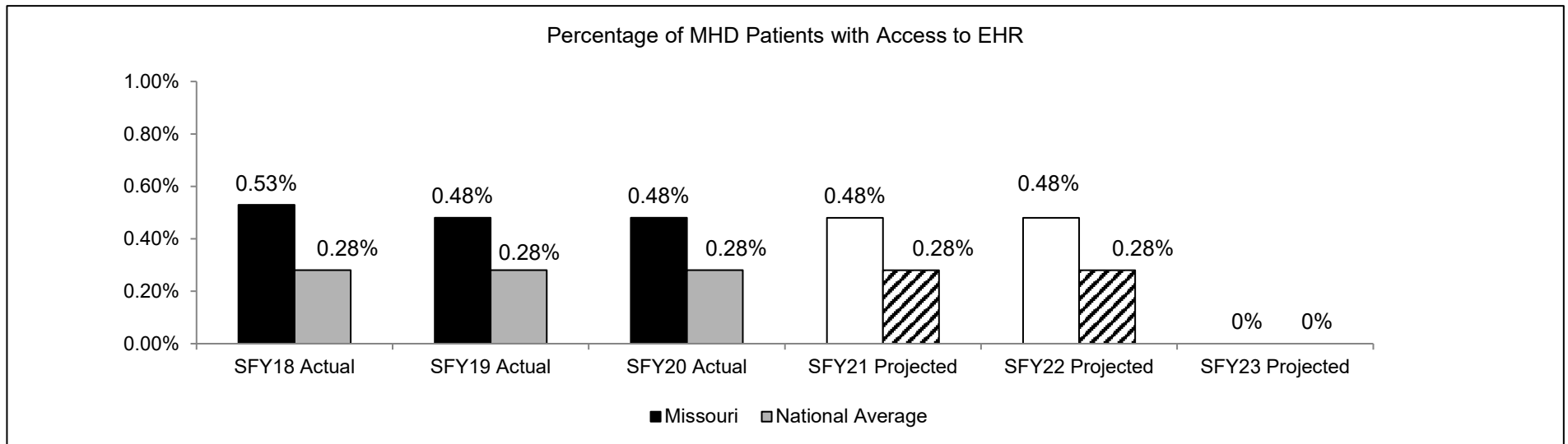
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2c. Provide a measure of the program's impact.

Compared to other states, a recent analysis prepared by the Centers for Medicare and Medicaid Services (CMS) shows that Missouri has a lower ratio of beneficiaries to HITECH participants (the Health Information Technology for Economic and Clinical Health Act (HITECH), Title XIII and Title IV of Section 4201 of the American Recovery and Reinvestment Act of 2009 (ARRA)), which translates to greater access to practices using EHR systems. On average, in Missouri, each practice that uses certified EHRs to improve care is available to 0.48% of Missouri Medicaid patients, compared to the national average of only 0.28% of patients per practice with an EHR system.



No SFY23 projections provided as program ends September 2021.

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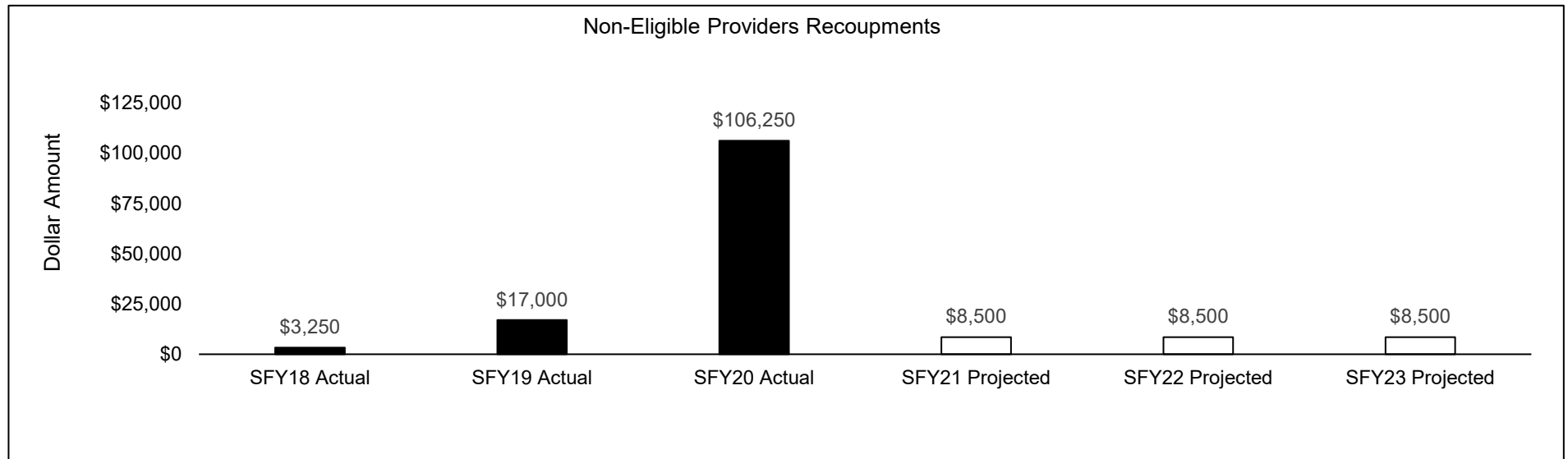
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2d. Provide a measure of the program's efficiency.

On average, for the first six program years, post payment audits have identified two professionals per year that did not qualify for the program (actual counts ranged from 1 – 6). This demonstrates that pre-payment validation processes are effective and payments to providers not eligible occur in less than 1% of applications. To date, payments for all providers identified as ineligible were subsequently recouped. Post payment reviews often lag behind program year payments by 2-3 years, and recoupments collected in a particular year are associated with prior years. Post-payment audits are conducted by an external auditor and approved by MHD and MMAC leaders. In SFY19, two recoupments totalling \$17,000 were recommended and approved. In SFY20, three program years were audited, with negative findings for providers issued for two program years. The EHR Incentive Program payments range from \$21,250 in Year One to \$8,500 in Years Two through Six. During SFY20, one Year One payment was recouped at \$21,250 and ten providers at \$85,000 were recouped, for a total of \$106,250. It is important to note that 520 providers were audited during SFY20, with only 11 providers in two program years receiving negative findings. Only a 160 providers are scheduled for audit during SFY21, therefore, the projected recouped amount is lower, at \$8,500, which is the equivalent of one program year payment.



Due to lower participation in the EHR Incentive Program in its latter years, lower recoupments are predicted. SFY23 projections are possible for this item since post-payment audits will continue into SFY23.

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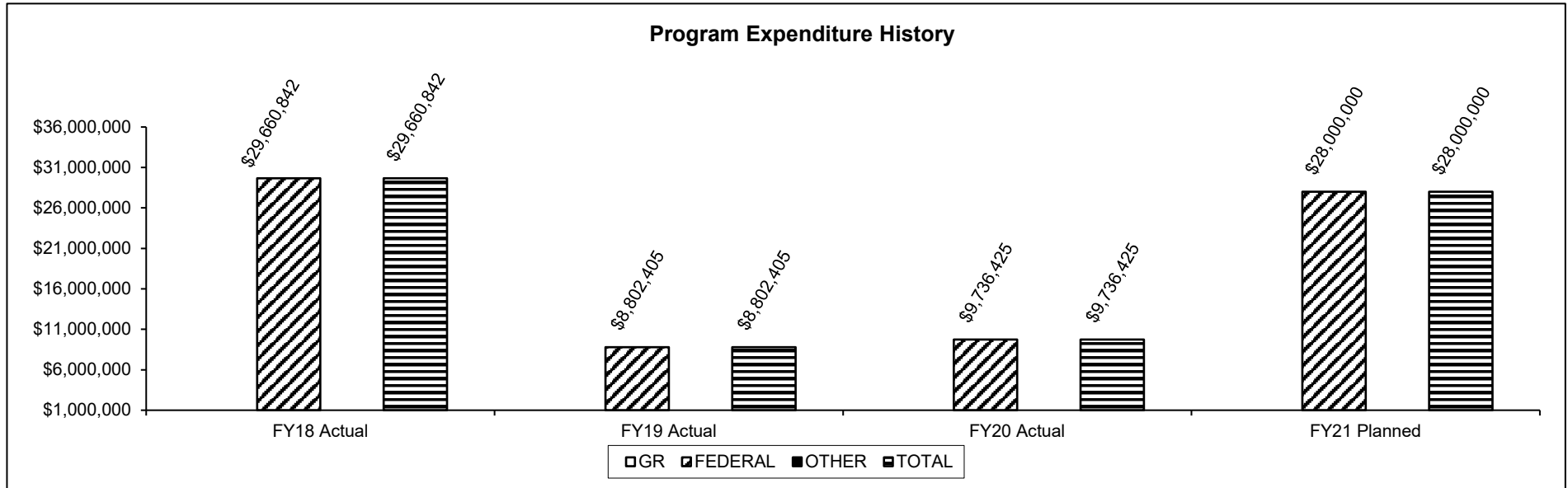
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3. Provide actual expenditures for the prior three fiscal years; planned expenditures for the current fiscal year. (Note: Amounts do not include fringe benefit costs.)



Planned FY 2021 expenditures are net of reverted and reserves.

4. What are the sources of the "Other " funds?

N/A

5. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

Federal law: ARRA Section 4201. Federal Regulation: 42 CFR Parts 412, 413, 422 and 495.

6. Are there federal matching requirements? If yes, please explain.

Administrative costs earn 90% federal match and require a 10% state match.

7. Is this a federally mandated program? If yes, please explain.

No.