

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. The EHR Incentive Program ended with the Program Year 2021. All program activities have ceased.

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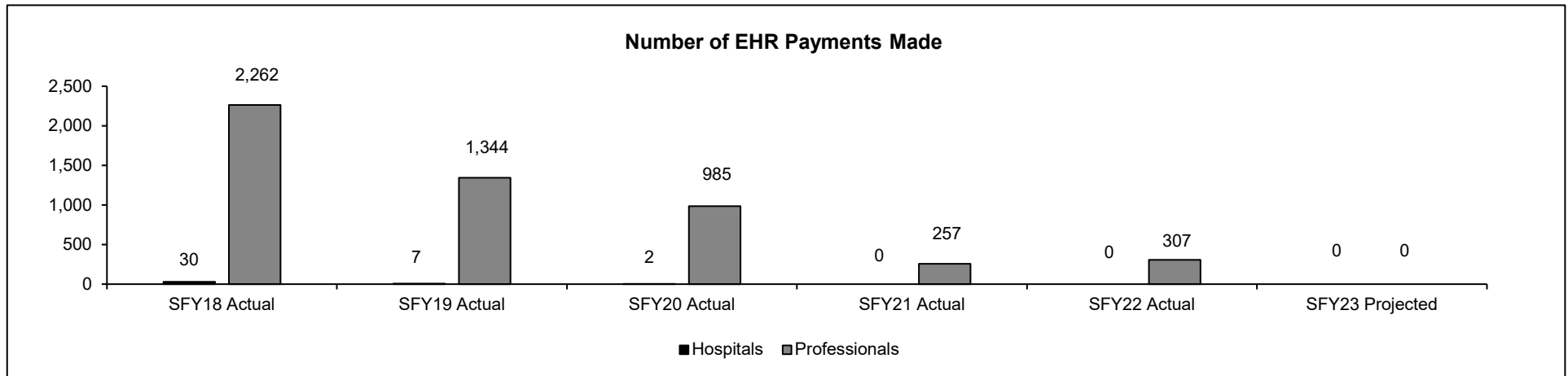
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2a. Provide an activity measure for the program.

In SFY20, two incentive payments were made to hospitals in the amount of \$166,146 and 985 incentive payments were made to professionals in the amount of \$8.33 million. This was the last time payments were made to hospitals under the EHR Incentive Program.

The EHR Incentive Program has always been time-limited by federal law; therefore, Missouri was required to complete all incentive payments by December 31, 2021. The program is organized into program years and due to the deadline, two program years' payments were made in SFY22, for a total of 307 payments. This includes 206 incentive payments in the amount of \$1,736,835 for Program Year 2020 and 101 payments in the amount of \$852,834 for Program Year 2021. Starting in SFY19, participation in the program had declined because of more stringent requirements of meaningful use (MU). No additional payments will be made in SFY24 or beyond as the program has been discontinued in accordance with federal law.



Note: Starting in SFY21, hospitals were no longer included in the program. No additional payments will be made in SFY24 or beyond as the program has been discontinued in accordance with federal law.

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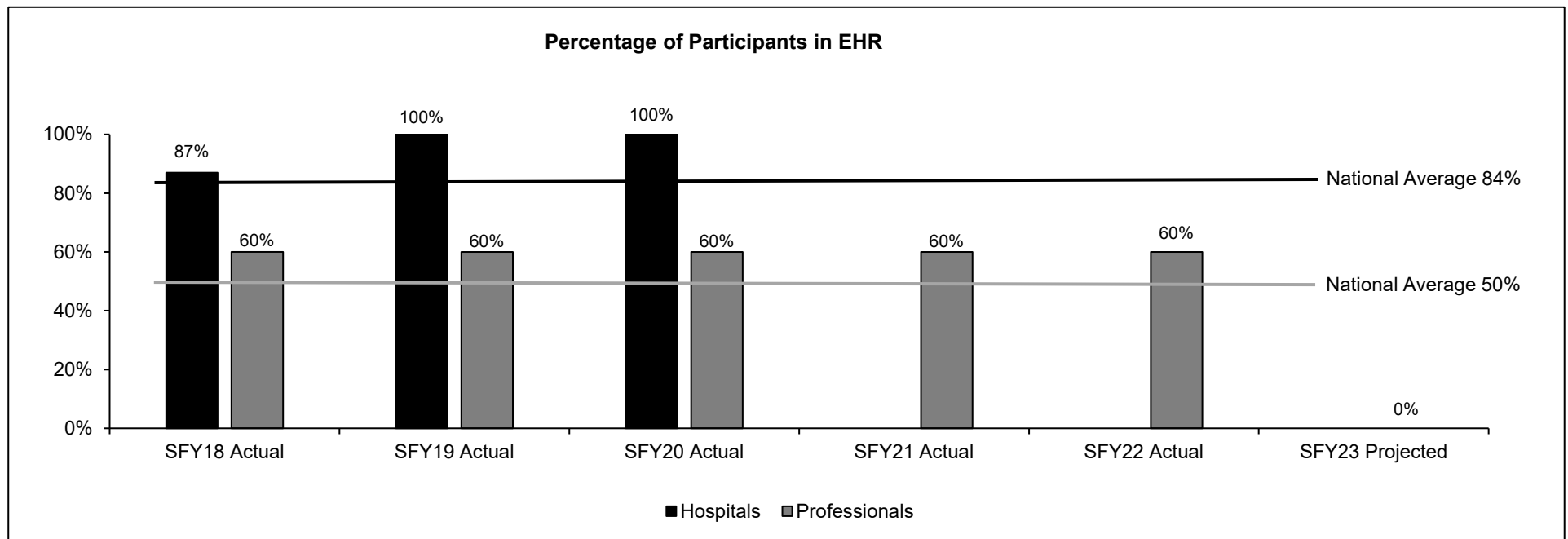
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2b. Provide a measure of the program's quality.

Among participants in the program in SFY20 and beyond, 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: Starting in SFY21, hospitals were no longer included in the program. No additional payments will be made in SFY24 or beyond as the program has been discontinued in accordance with federal law.

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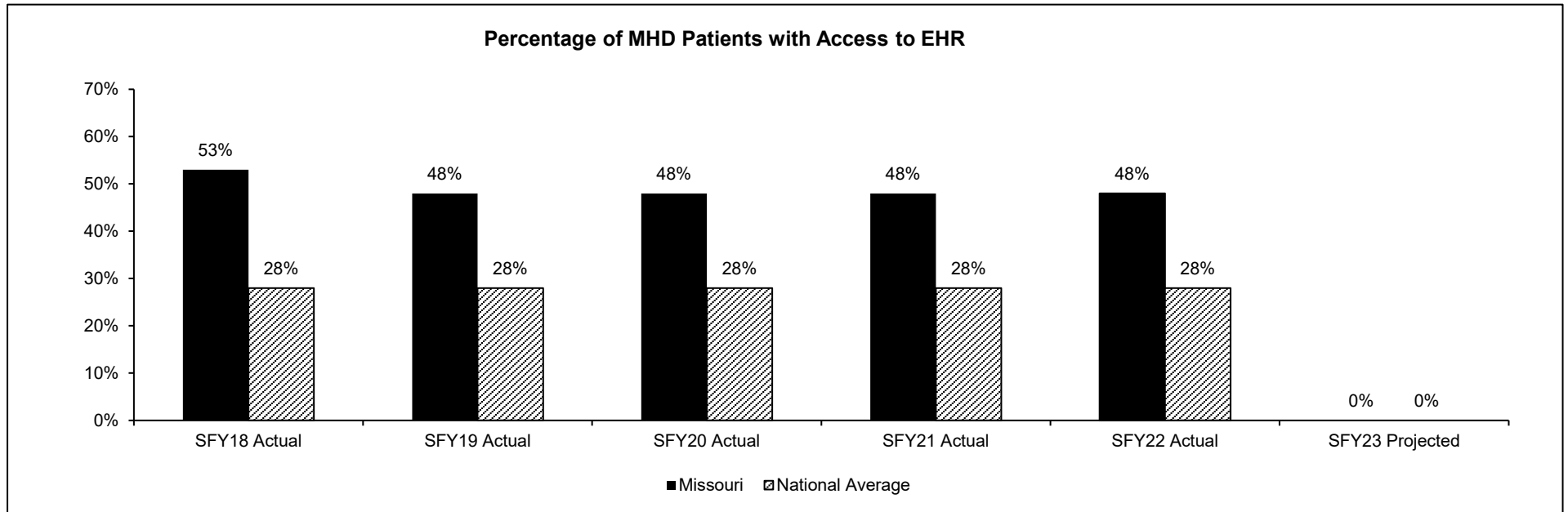
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2c. Provide a measure of the program's impact.

Compared to other states, a recent analysis prepared by the Centers for Medicare & Medicaid Services (CMS) shows that Missouri has a higher ratio of beneficiaries to the Health Information Technology for Economic and Clinical Health Act (HITECH) participants, 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 48% of Missouri Medicaid patients, compared to the national average of only 28% of patients per practice with an EHR system.



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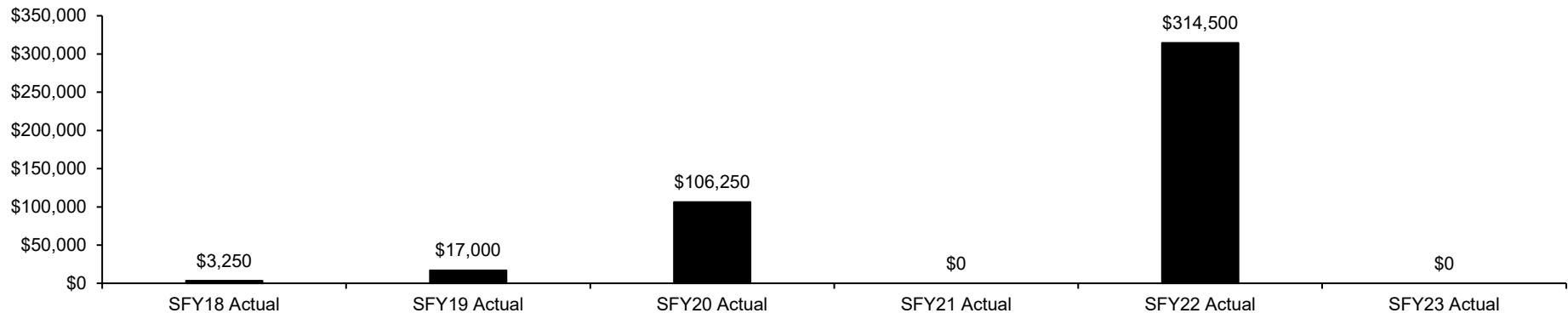
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2d. Provide a measure of the program's efficiency.

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 totaling \$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. No recoupments were made in SFY21. In SFY22, two Program Years' worth of recoupments were secured, in the amount of \$314,500. The majority of this amount was attributed to a miscalculated Medicaid Volume from a single provider group. No negative findings were found for Program Years 2019, 2020, and 2021. The EHR Incentive Program has been closed. All data have been reported to CMS and program activities have ended.

Non-Eligible Providers Recoupments



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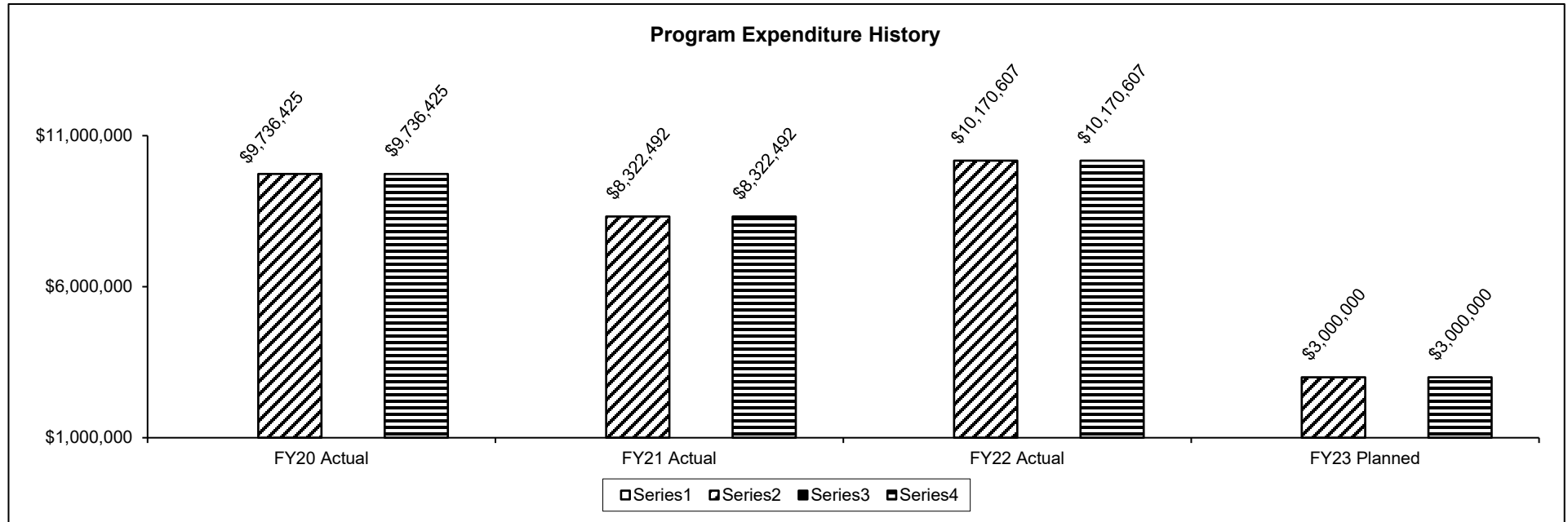
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3. Provide actual expenditures for the prior three fiscal years; planned expenditures for the current fiscal year. (Note: Amounts do not include fringe benefit costs.)



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.