



FACT SHEET

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CMS PROPOSES DEFINITION OF STAGE 2 MEANINGFUL USE OF CERTIFIED ELECTRONIC HEALTH RECORDS (EHR) TECHNOLOGY

The Centers for Medicare & Medicaid Services (CMS) today announced a proposed rule for Stage 2 requirements for the Medicare and Medicaid Electronic Health Record (EHR) Incentive Programs. Under the Health Information Technology for Economic and Clinical Health (HITECH) Act, part of American Recovery and Reinvestment Act of 2009, eligible health care professionals (EPs), eligible hospitals and Critical Access Hospitals can qualify for Medicare and Medicaid incentive payments when they adopt certified EHR technology and use it to demonstrate “meaningful use” of that technology by achieving objectives set by CMS.

This fact sheet summarizes CMS’ proposed requirements for Stage 2 of the Medicare and Medicaid EHR Incentive Programs.

Meaningful Use – Policy Goals and Definition

Through the Stage 2 requirements of the Medicare and Medicaid EHR Incentive Programs, CMS hopes to expand the meaningful use of certified EHR technology. Certified EHR technology used in a meaningful way is one piece of a broader Health Information Technology infrastructure needed to reform the health care system and improve health care quality, efficiency, and patient safety.

On July 28, 2010, CMS published a final rule entitled “Medicare and Medicaid Programs; Electronic Health Record Incentive Program” (75 FR 44313 through 44588) that specified the Stage 1 criteria eligible providers (EPs), eligible hospitals, and critical access hospitals (CAHs) must meet in order to qualify for an incentive payment, calculation of the incentive payment amounts, and other program participation requirements. In that final rule, we also detailed that the Medicare and Medicaid EHR Incentive Programs would consist of 3 different stages of meaningful use requirements, with each stage requiring increasing use of EHRs and electronic information exchange.

Stage 2 Criteria for Meaningful Use

In this proposed rule CMS proposes to specify Stage 2 criteria that EPs, eligible hospitals, and CAHs must meet in order to qualify for an incentive payment, as well as introduce changes to the program timeline and detail payment adjustments. These proposed criteria were substantially adopted from the recommendations of the Health IT Policy Committee (HITPC), a Federal Advisory Committee that obtains industry and provider input regarding the Medicare and Medicaid EHR Incentive Programs, as well as through consideration of current program data for the Medicare and Medicaid EHR Incentive Programs. The proposed Stage 2 criteria for meaningful use focus on increasing the electronic capturing of health information in a structured format, as well as increasing the exchange of clinically relevant information between providers of care at care transitions.

The proposed Stage 2 criteria for meaningful use are based on a series of specific objectives, each of which is tied to a proposed measure that all EPs and hospitals must meet in order to demonstrate that they are meaningful users of certified EHR technology. This approach is similar to the objective and measure approach used in Stage 1.

In our July 28, 2010, rule outlining Stage 1 criteria, CMS finalized a separate set of core objectives and menu objectives for both EPs and eligible hospitals and CAHs. In Stage 1, EPs and hospitals must meet or qualify for an exclusion to all of the core objectives and 5 out of the 10 menu measures in order to qualify for an EHR incentive payment under these Stage 1 requirements.

In this proposed rule, CMS proposes to maintain the same core and menu structure for the program for Stage 2. We propose for Stage 2 that EPs must meet or qualify for an exclusion to 17 core objectives and 3 of 5 menu objectives. We propose that eligible hospitals and CAHs must meet or qualify for an exclusion to 16 core objectives and 2 of 4 menu objectives.

Each objective/measure was evaluated for its applicability to all EPs and eligible hospitals. In cases where there are situations that make it impossible for an EP or eligible hospital to meet the measure, an exclusion was defined in the final rule. If an exclusion applies, then the EP or eligible hospital would not have to meet that objective/measure in order to be deemed a meaningful user.

Nearly all of the Stage 1 core and menu objectives have been retained for Stage 2. The “exchange of key clinical information” core objective from Stage 1 was eliminated in favor of a more robust “transitions of care” core objective in Stage 2, and the “provide patients with an electronic copy of their health information” objective was eliminated because it has been replaced by an “electronic/online access” core objective. There are also multiple Stage 1 objectives that have been combined into more unified Stage 2 objectives, with a subsequent rise in the measure threshold that providers must achieve for each objective that has been retained from Stage 1. This eliminates unnecessary accounting and reporting burden for providers by

recognizing that, for providers who have been Stage 1 meaningful users for multiple years, recording these data in structured form has become a normal part of care delivery.

Changes to Stage 1 Criteria for Meaningful Use

In this proposed rule, CMS proposes several changes to existing Stage 1 criteria for meaningful use. Some of these changes would be optional for use by providers in Stage 1 but would be required for use in Stage 2. Other changes would not take effect until providers have to meet the Stage 2 criteria. An overview of these proposed changes includes:

- Changes to the denominator of computerized provider order entry (CPOE) (Stage 1 Optional, Stage 2 Required)
- Changes to the age limitations for vital signs (Stage 1 Optional, Stage 2 Required)
- Elimination of the “exchange of key clinical information” core objective from Stage 1 in favor of a “transitions of care” core objective that requires electronic exchange of summary of care documents in Stage 2 (Effective Stage 2)
- Replacing “provide patients with an electronic copy of their health information” objective with a “view online, download and transmit” core objective. (Effective Stage 2)

Greater Applicability to Specialists

The NPRM proposes new objectives that have greater applicability to many specialty providers. The addition of these objectives recognizes the leadership role that many specialty providers have played in the meaningful use of health IT for quality improvement purposes with respect to:

- Imaging results and information accessible through certified EHR technology
- Capability to identify and report cancer cases to a State cancer registry, except where prohibited, and in accordance with applicable law and practice
- Capability to identify and report specific cases to a specialized registry (other than a cancer registry), except where prohibited, and in accordance with applicable law and practice

Stage 2 Reporting of Clinical Quality Measures

Just as in Stage 1, CMS proposes that EPs, eligible hospitals, and CAHs be required to report on specified clinical quality measures (CQMs) in order to qualify for incentive payments under the Medicare and Medicaid EHR Incentive Programs.

For EPs, CMS is proposing a set of measures that align Stage 2 CQMs with existing quality programs by aligning measures with the Physician Quality Reporting System (PQRS), Medicare Shared Savings Program, and National Council for Quality Assurance (NCQA) for medical home accreditation, as well as measures proposed under the Children’s Health Insurance Program Reauthorization Act (CHIPRA) and under section 1139A of the Social Security Act (as

added by Section 2701 of the Affordable Care Act). For eligible hospitals and CAHs, CMS is proposing to align Stage 2 CQMs with the Inpatient Quality Reporting (IQR) and the Joint Commission's hospital quality measures. The proposed rule would require EPs to report 12 CQMs and eligible hospitals and CAHs to report 24 CQMs in total. CMS recognizes that for clinical quality reporting to become routine, the administrative burden of reporting must be reduced.

This proposed rule outlines a process by which EPs, eligible hospitals, and CAHs beyond their first year of Stage 1 participation would submit CQM data electronically, thereby reducing the associated burden of reporting on quality measures for providers. CMS is soliciting public comment on two mechanisms of electronic CQM reporting: aggregate-level electronic reporting as a group, or through existing quality reporting systems (for Medicare providers). Within these and States' mechanisms of reporting, CMS has proposed different approaches to CQM reporting that offer flexibility to EPs, eligible hospitals, and CAHs.

Payment Adjustments and Exceptions

Medicare payment adjustments are required by statute to take effect in 2015. In this NPRM, CMS proposes that any Medicare EP or hospital that demonstrates meaningful use in 2013 would avoid payment adjustment in 2015. Also, any Medicare provider that first demonstrates meaningful use in 2014 would avoid the penalty if they meet the attestation requirement by July 3, 2014 (eligible hospitals) or October 3, 2014 (EPs). Meaningful use attestations to State Medicaid Agencies by EPs who are eligible for either Medicare or Medicaid but opted for Medicaid, will be accepted to avoid the Medicare penalty. However, it is important to note that the receipt of Medicaid EHR Incentive Program payments for one kind of Medicaid incentive payment (the adopt, implement or upgrade, the criteria for the first year of Medicaid EHR Incentive Program payments), is not the same as meeting the meaningful use criteria. Therefore, those providers may be subject to Medicare payment adjustments if they do not otherwise demonstrate meaningful use.

CMS is proposing exceptions to these payment adjustments. This proposed rule outlines three categories of exceptions based on:

- Availability of internet access or barriers to obtaining IT infrastructure;
- A time-limited exception for newly practicing EPs who would not otherwise be able to avoid payment adjustments; and
- Unforeseen circumstances such as natural disasters that would be handled on a case-by-case basis.

CMS is also soliciting comment on additional criteria for exceptions.

Extension of Stage 1

Finally, consistent with the November 2011 “[We Can’t Wait](#)” announcement, CMS is proposing an extension of Stage 1, so that providers have an additional year for implementation of Stage 2 criteria. In our July 28, 2010, rule, we established that any provider who first attested to Stage 1 criteria in 2011 would have to begin using Stage 2 criteria in 2013. This proposed rule delays the onset of those Stage 2 criteria for those providers until 2014, which CMS believes would allow the needed time for vendors to develop Certified EHR Technology that can meet the Stage 2 requirements proposed here.

CMS’ proposed rule may be viewed here: www.ofr.gov/inspection.aspx .

Additional information on the Medicare and Medicaid EHR Incentive Programs can be found at <http://www.cms.hhs.gov/EHRincentiveprograms>.

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