

CMS Issues First Payments to Early Adopters of Electronic Health Records

The Centers for Medicare and Medicaid Services (CMS) have issued their first **incentive payments** to providers in Kentucky, Oklahoma, Louisiana, and Iowa for the purchase and meaningful use of electronic health record (“EHR”) technology. Two Oklahoma physicians were among the first individual providers to receive incentive payments in the amount of \$21,250 for calendar year 2011.

CMS issued these payments pursuant to the Health Information Technology for Economic And Clinical Health Act (“HITECH”), which rewards meaningful users of EHR technology by providing them with incentive payments of up to \$44,000 from Medicare or up to \$63,750 from Medicaid and effectively defrays the cost of the transition. Registration for these payments began on January 3, 2011, and according to CMS, over 4,000 healthcare providers have already started the registration process.

Providers should be aware, however, that the amount of these payments is scheduled to decrease annually to the point where providers will be penalized if they cannot demonstrate meaningful use by 2015.

In order to capitalize on these incentive payments, providers should begin to implement EHR technology this year. Registration to receive an incentive payment for calendar year 2011 is scheduled to end on February 29, 2012. However, providers should not delay to implement EHR because it takes a number of months to consistently incorporate EHR into a practice’s day to day operations.

If you have already implemented EHR, stay tuned for a Nelson Hardiman web applet to help you assess whether your EHR use qualifies as meaningful use.