

*Netsmart provides solutions that help meet the evolving definition of “meaningful use.” These include electronic health records, order entry, e-prescribing, Health Information Exchange connectivity and consumer portals.*

*For information about Netsmart Technologies’ full range of solutions for health and human services organizations, visit [www.ntst.com](http://www.ntst.com) or call 1-800-421-7503, Option 6.*

### **What is the ARRA legislation?**

In February 2009, Congress passed the American Recovery and Reinvestment Act of 2009 (ARRA). A direct response to the economic crisis, the Act had among its goals to:

- Preserve and create jobs and promote economic recovery
- Assist those most impacted by the recession
- Provide investments needed to increase economic efficiency by spurring technological advances in science and health

In addition to underwriting a process to computerize health records with the goal of reducing medical errors and health care costs, ARRA is targeted at infrastructure development and enhancement. Specific to healthcare, ARRA included the Health Information Technology for Economic Clinical Health (HITECH Act). This consists of three parts:

- Creates standards, implementation specifications and certification criteria for health information technology (HIT) infrastructure interoperability
- Implement the HIT infrastructure and electronic health records (EHRs) through grants, loans, and incentives for the “Meaningful Use (MU)” of Certified EHRs
- Encourage the use of HIT infrastructure by improving information privacy and security

### **How are the incentives structured?**

ARRA includes Medicare and Medicaid incentives, and in each of these categories incentives are designated for Providers or Hospitals.

### **Are behavioral and public health providers currently eligible for incentives?**

Behavioral health and public health providers are currently eligible for Medicare and Medicaid Provider incentives based on the number of “eligible professionals” (EPs) in their organization (physicians, nurse practitioners, dentists and certified midwives), assuming the organization meets criteria for MU of an EHR. Organizations must choose to receive either the Medicaid or Medicare incentives (not both), and since organizations typically have a higher percentage of Medicaid consumers, the Medicaid incentives will typically result in the most incentives.

For a provider to be eligible, they need to be a non-hospital based eligible professional. Providers that work in hospitals that are eligible under the Hospital side of the incentives are not eligible.

**How do I determine if my professionals working in my inpatient facility are eligible professionals?**

Standalone Psychiatric Hospitals are currently excluded from Hospital incentives. The only hospitals included for Hospital incentives are Acute Care Hospitals (CCN 0001-0879) and Children’s Hospitals (CCN 3300-3399). However, if a psychiatric unit is operating under its parent Hospital’s CCN number, and that CCN number is eligible per the above codes, the psychiatric unit is eligible for the Hospital-based incentives.

If the Hospital is not eligible for the Hospital incentives based on its CCN number, then it may be able to receive Eligible Professional incentives based on the professional’s Point of Service (POS) Billing Codes.

If a professional is billing 10% or more under any code below, they are considered an Eligible Professional and able to receive EP incentives and assign them to their facility.

- |                                       |  |
|---------------------------------------|--|
| 11) Office                            | 52) Psychiatric Facility Partial Hospitalization     |
| 12) Home                              | 53) Community Mental Health Center                   |
| 24) Ambulatory Surgical Center        | 54) Intermediate Care Facility/Mentally Retarded     |
| 25) Birthing Center                   | 55) Residential Substance Abuse Treatment Facility   |
| 26) Military Treatment Facility       | 56) Psychiatric Residential Treatment Center         |
| 31) Skilled Nursing Facility          | 61) Comprehensive Inpatient Rehabilitation Facility  |
| 32) Nursing Facility                  | 62) Comprehensive Outpatient Rehabilitation Facility |
| 33) Custodial Care Facility           | 65) End Stage Renal Disease Treatment Facility       |
| 34) Hospice                           | 71) State or Local Public Health Clinic              |
| 41) Ambulance-Land                    | 72) Rural Health Clinic                              |
| 42) Ambulance-Air or Water            | 81) Independent Laboratory                           |
| 50) Federally Qualified Health Center | 99) Other  |
| 51) Inpatient Psychiatric Facility    |  |

If a professional is billing more than 90% using one of the following three Point of Service Billing codes, then they are NOT eligible:

- 21—Inpatient Hospital—is a facility, other than psychiatric, which primarily provides diagnostic, therapeutic (both surgical and nonsurgical), and rehabilitation services by, or under, the supervision of physicians, to patients admitted for a variety of medical conditions.
- 22—Outpatient Hospital—is a portion of a hospital which provides diagnostic, therapeutic (both surgical and nonsurgical) and rehabilitation services to sick or injured persons who do not require hospitalization or institutionalization.
- 23—Emergency Room, Hospital—is a portion of a hospital where emergency diagnosis and treatment of illness or injury is provided.

**What is the value of the incentives I can get now under the Medicaid Provider program?**

To qualify as an EP, a physician, nurse practitioner, dentist or certified midwife must be non-hospital based, do more than 30% Medicaid encounters over a representative 90-day period, and assign their incentives to the organization where they are using an EHR in a “meaningful” way per the MU criteria. The current benefit for Medicaid-eligible professionals is \$21,250 for the first year of MU. In years 2-6 the benefit is \$8,500 per year, for a total benefit of \$63,750 per EP. The maximum Medicare Provider incentive amount for that same time period is \$44,000.

**Will new/enhanced legislation be introduced that will allow community mental health centers and substance abuse treatment provider organizations to receive Medicaid incentives as an “Organization” and not just through eligible professionals?**

On April 15, corrective legislation was introduced by U.S. Representatives Patrick Kennedy (D-RI) and Tim Murphy (R-PA). The proposed amendment extends eligibility for Medicaid and Medicare incentive funds for the “meaningful use” of EHRs to behavioral health, mental health, and substance abuse treatment professionals and facilities that were not previously included as eligible in the HITECH Act, a component of ARRA.

The proposed amendment, subject to House and Senate approval, clarifies the definition of “health care provider” to include behavioral and mental health professionals, substance abuse professionals, psychiatric hospitals, behavioral and mental health clinics, and substance abuse treatment facilities. It also expands the Medicaid/Medicare incentives through the following:

- Expands the types of professionals that are eligible for Medicaid and Medicare Eligible Professional incentives for the “meaningful use” of EHRs to include licensed psychologists and clinical social workers. Currently, behavioral healthcare provider organizations can qualify for Medicare and Medicaid incentive funds only through the current definition of eligible professionals, which includes physicians and nurse practitioners that are affiliated with their facilities. The typical behavioral health organization has a limited number of these professionals compared to psychologists and other clinical social workers.
- Expands Medicare Hospital meaningful use incentive funding eligibility to include inpatient psychiatric hospitals.
- Expands Medicaid Hospital meaningful use incentive funding eligibility to include mental health treatment facilities, psychiatric hospitals and substance abuse treatment facilities.

If the legislation does pass, the expanded list of eligible professionals (e.g. now includes licensed psychologists, clinical social workers, etc.) can receive incentives as currently defined (e.g. \$63,500 for Medicaid and \$44,000 for Medicare). The dollar amount of incentives will need to be determined if an organization applies for the Hospital incentives, but it is likely to be a similar structure to what hospitals can receive now:

$$\left( \$2M + \$200 \times \text{Total No of Discharges} \right) \times \left( \% \text{ of Medicaid Business} \times \begin{array}{l} \text{Year Factor} \\ \text{Year 1, 100\%} \\ \text{Year 2, 75\%} \\ \text{Year 3, 50\%} \\ \text{Year 4, 25\%} \end{array} \times \text{Charity Care Factor} \right)$$

If an organization waits until 2014 to start, the incentives are reduced.

**What do I need to do to be eligible?**

In order to meet MU, an organization must use an ARRA-certified EHR and meet Stage 1 ARRA requirements.

**What is Netsmart’s EHR certification strategy?**

As of now, the CCHIT Behavioral Health Certification standards set to be released in July 2010 do not meet all of the ARRA requirements, but there is an ARRA certification that does meet all requirements for EHR Meaningful Use criteria. Netsmart’s immediate plans are to pursue ARRA certification for Avatar, CMHC/MIS and Insight, with the goal of attaining certification by the end of 2010.

Netsmart was the first behavioral healthcare provider to attain certification for an EHR software solution. The significant financial and staff resources required to complete that rigorous process demonstrated Netsmart’s substantial commitment to its customers that required a certified EHR. It also provides Netsmart with a strong foundation, knowledge and experience in the certification process vs. other providers.

**Do Netsmart’s products enable me to meet ARRA Meaningful Use Stage 1 Criteria?**

Yes. With a combination of Netsmart’s products, including enhancements that are being added this year, Netsmart’s Avatar, CMHC/MIS and Insight customers will have the ability to meet the MU criteria.

**What if my EHR vendor’s EHR only obtains CCHIT Behavioral Health Certification?**

At this point, the CCHIT Behavioral Health certification would not qualify an organization for ARRA incentive funding. In order to be considered certified for MU, an EHR must be ARRA-certified; being CCHIT Behavioral Health certified only will not meet the requirements. While Netsmart views the CCHIT BH certification as important and plans to attain it, the current focus is on attaining ARRA certification for Avatar, CMHC/MIS and Insight to ensure our customers have the foundation required to achieve MU and receive the associated incentives.

**How will the government measure compliance with Meaningful Use criteria to determine funding eligibility?**

Organizations will be monitored in several ways: certified vendors will provide their customers with codes that will be placed in bills submitted, organizations will self attest data to the state, and audits will be performed.

### **Can states add additional criteria?**

It is our understanding that states will be authorized to add additional criteria for incentive funding, but none have done so yet.

### **How and when should I start preparing?**

Most provider organizations will need to undertake major process changes to attain eligibility for incentive funding. Netsmart can provide a roadmap to MU for its customers, regardless of their current stage of compliance or eligibility. Our goal is to make what can be a complex process as easy and cost-effective as possible, resulting in the ability to obtain additional resources for providing quality care to consumers.

The analysis regarding the possible impact of Meaningful Use is provided as general information only, and not as legal or financial advice. Organizations should obtain qualified professional legal and financial opinions on the meaning and impact of the policy on their particular organization prior to making any business plans or decisions.

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