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Lilly Oncology

Reimbursement Update

Previous Reimbursement Updates can be found at www.LillyPatientOne.com

Lilly Oncology is pleased to offer this newsletter as part of our commitment to patient access to care. For more information about the topics discussed in this issue, please contact Samantha Yu, Manager Reimbursement Consulting for AccessMED, at 650-759-6210.

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This article may contain references or links to statutes, regulations, or other policy materials. The information provided is only intended to be a general summary. It is not intended to take the place of the written law or regulations or local payer guidelines. We encourage readers to review the specific statutes, regulations and other interpretive materials for a full and accurate statement of their contents.

Stimulus Package Promises Electronic Health Record Incentive Payment

A significant new Medicare incentive payment program may become available as early as 2011 under provisions of the American Recovery and Reinvestment Act of 2009 (the economic stimulus package) signed by the President on Feb. 17, 2009.

Qualifying professionals and hospitals who become “meaningful electronic health record users” will be eligible to receive a portion of up to \$17 billion in incentive payments to adopt health information technology (HIT). Eligible professionals include doctors of medicine or osteopathy, dentists, podiatrists, optometrists and chiropractors. Hospital-based physicians such as radiologists, anesthesiologists, pathologists and emergency department physicians who furnish most of their services in a hospital setting using the hospital’s facilities and equipment will not be directly eligible for the bonus.

Specific requirements for receiving the annual bonus will be developed by the Department of Health and Human Services (HHS). To assist in this effort, the legislation creates the Office of the National Coordinator for Health Information Technology (ONCHIT) within HHS, which is expected to play a considerable role in the roll-out of this new incentive program.

The EHR bonus payment will be an amount equal to 75 percent of the HHS secretary’s estimate of allowable charges for all covered services furnished by the eligible professional during the year, with the following limits:

- **Year 1:** \$15,000 per professional. (If the program is implemented in 2011 or 2012, the limit will be \$18,000.)
- **Year 2:** \$12,000
- **Year 3:** \$8,000
- **Year 4:** \$4,000
- **Year 5:** \$2,000
- **Year 6 and after:** \$0

Thus, if the program were to begin in 2012, qualified meaningful EHR users could receive incentive payments of \$44,000 over the life of the program. Physicians who furnish services in Health Professional Shortage Areas (HPSAs) will be eligible for incentive payments that are ten percent higher than those shown above.

Answers That Matter.

EHR Incentive – from page 1

A “meaningful EHR user” must meet three requirements:

1. Use certified EHR technology that includes electronic prescribing
2. Use EHR technology that is connected in a manner that provides for the electronic exchange of information to improve the quality of health care, such as promoting care coordination
3. Submit information on clinical quality or other measures as specified by HHS

Beginning in 2015, eligible professionals who **are not** meaningful EHR users will, with some exceptions, be subject to payment penalties. In 2015, payment will be reduced to 99 percent of the usual Medicare physician fee schedule payment. In 2016, payment will be limited to 98 percent, and in 2017 and after, payment will fall to 97 percent.

There will be hardship exceptions to this rule, such as in the case of a practice in a rural area without sufficient internet access. Hardship exceptions will not be extended for more than five years, however.

Hospitals will also be eligible for incentive payments under a different formula than that which applies to eligible professionals. Qualifying hospitals will receive a base amount in addition to a per-discharge amount per patient, subject to minimum and maximum discharge thresholds and other factors.

HHS is expected to develop and release new guidelines surrounding the EHR incentive in the coming months via the *Federal Register* and communications distributed to physicians and hospitals via the Medicare Administrative Contractors.

EHR provisions of the American Recovery and Reinvestment Act of 2009 (H.R. 1) can be viewed on the Library of Congress Web site at <http://thomas.loc.gov/home/approp/app09.html>. (See Division B, Title IV, Medicare and Medicaid Health Information Technology and Miscellaneous Medicare Provisions; Division B, Title XIII, Health Information Technology and Quality.) ♦

Stimulus Package to Fund Comparative Effectiveness Research (CER)

One of numerous additional provisions of the economic stimulus bill is the inclusion of \$1.1 billion in funding to the Agency for Healthcare Research and Quality (AHRQ) to conduct or support various research projects to evaluate and compare the clinical outcomes, effectiveness, risk and benefits of two or more medical treatments and services that address a particular medical condition.

This funding is intended to accelerate the development and dissemination of research assessing the comparative effectiveness of health care treatments and strategies. Efforts under this provision will be designed to: (1) conduct, support, or synthesize research that compares the clinical outcomes, effectiveness, and appropriateness of items, services, and procedures that are used to prevent, diagnose, or treat diseases, disorders, and other health conditions; and (2) encourage the development and use of clinical registries, clinical data networks, and other forms of electronic health data that can be used to generate or obtain outcomes data:

The Federal Coordinating Council for Comparative Effectiveness Research will be comprised of at least 15 representatives from Federal agencies. At least half of these individuals must be physicians or have clinical expertise. ♦