**Electronic Health Records (EHR) Meaningful Use Stage 2 Final Rule Summary**

On August 23, 2012, the Centers for Medicare & Medicaid Services (CMS) posted the final rule for Stage 2 of the Electronic Health Record (EHR) Meaningful Use (MU) Incentive Program. The rule includes finalized criteria for Stage 2 of the Meaningful Use program as well as changes to Stage 1, some of which take effect in 2013 and are detailed below.

Stage 2 of the EHR Incentive Program is scheduled to begin in 2014. All Eligible Professionals (EPs) will have to participate in Stage 1 for two years prior to beginning Stage 2, regardless of when they begin participating in Stage 1. For example, if an EP begins Stage 1 in 2013, they will begin participation in Stage 2 in 2015.

The Academy will submit comments to CMS by the **October 22, 2012 deadline** and will post comments on the Academy’s EHR webpage at <http://www.entnet.org/Practice/ONC.cfm>.

**Stage 2 Core Objectives and Menu Objectives**

In comments on the proposed Stage 2 rule in May, the Academy expressed concern that stringent program requirements with high satisfaction thresholds will hinder health information technology (HIT) adoption. The Academy believes allowing for greater flexibility to meet meaningful use requirements will spur the adoption of HIT and move the medical community closer to the desired outcome for the Medicare/Medicaid EHR incentives. **Although CMS did incorporate some changes to the thresholds for Stage 2 which the Academy asked for, many of the measurement thresholds remain too high and overall, this will impede HIT adoption for many specialties, including otolaryngology-head and neck surgery. The Academy will continue to express these concerns to CMS in its comment letter and any other opportunities to advocate on behalf of members.**

**CORE OBJECTIVES: For Stage 2, there are 17 consolidated Core Objectives for EPs to report.** Many objectives from Stage 1 are continued with higher measurement thresholds in Stage 2. Several Stage 1 core objectives were combined and several new core objectives were created for Stage 2. CMS prepared a chart comparing these Stage 2 core objectives, which can be accessed [here](http://www.cms.gov/Regulations-and-Guidance/Legislation/EHRIncentivePrograms/Downloads/Stage1vsStage2CompTablesforEP.pdf).

**MENU OBJECTIVES: For Stage 2, EPs must report 3 of the 6 Menu Objectives.** Many of the Menu Objectives in Stage 2 are new, as some Stage 1 Menu Objectives were rolled into Core Objectives in Stage 2.

A full list of the Stage 2 core and menu objectives can be found [here](http://www.entnet.org/Practice/upload/Stage-2-Core-and-Menu-Objectives.docx).

**Attesting to Meaningful Use with an EHR**

In Stage 2, CMS continues the requirement that an EP must have 50 percent or more of their outpatient encounters during the EHR reporting period at a practice(s)/location(s) equipped with Certified EHR Technology. An EP who does not conduct at least 50 percent of their patient encounters in any one practice/location would have to meet the 50 percent threshold through a combination of practices/locations equipped with Certified EHR Technology.

For Stage 2, CMS will continue to count patients whose records are maintained by Certified Health Record Technology (CEHRT) in the denominator, rather than all patients, which had been proposed.

All new participants in the EHR Meaningful Use Incentive Program will have a 90 day reporting period for the first year of Stage 1. For the second and subsequent years, reporting is based on the full calendar year, with the exception of 2014. In 2014 only, CMS adopts a 3-month (90 day) quarter year EHR reporting period for both EPs and hospitals that are beyond their first year of MU to allow providers more time to meet the Stage 2 meaningful use criteria, and the revised Stage 1 criteria.

CMS will continue its common method for demonstrating meaningful use in both the Medicare and Medicaid EHR incentive programs, and retains the attestation process for Stage 2 objectives. In 2014, CMS will also allow a new batch file process that allows groups of EPs participating in the program as individuals, to submit core and menu objective information for each Medicare EP at one time, including the stage of MU the individual EP is in (i.e. numerator, denominator, exclusion, and yes/no information for each objective). Groups will also have the option to submit a batch file. **The batch file process is designed to reduce the administrative burden on offices reporting Meaningful Use measures to CMS, which is in response to the Academy’srequest in previous comments.**

**Stage 2 Exemptions**

**In Stage 2, there are five exceptions available**. If an EP is not granted one of these exemptions, they must meet meaningful use or face a payment penalty in 2015. These exemptions are designed with specific criteria that are difficult to meet, and are often designed for specific circumstances or specialties (i.e. Specialist/ Provider Type designed for radiology, anesthesiology, and pathology). **Unless EPs are certain they meet an exemption, they should plan to participate in the Meaningful Use program.** The five exemptions are:

1. **Infrastructure** — EPs must demonstrate that they are in an area without sufficient internet access or face insurmountable barriers to obtaining infrastructure (e.g. lack of broadband).
2. **New EPs** — New practicing EPs who have not had time to become meaningful users can apply for a 2-year limited exception to payment adjustments.
3. **Unforeseen Circumstances** — Examples may include a natural disaster or other unforeseeable barrier.
4. **By Specialist/Provider Type** — EPs must demonstrate the following criteria:
	1. Lack of face-to-face or telemedicine interaction with patients.
	2. Lack of follow-up need with patients (radiology, anesthesiology, and pathology are exempt based on PECOS).

OR

* 1. Lack of control over the availability of Certified EHR Technology at their practice location (EPs who practice at multiple locations may be granted a hardship exception solely for lack of control over the availability of Certified EHR Technology).

**Reporting Clinical Quality Measures Using EHRs**

All providers are required to report on Clinical Quality Measures (CQMs) in order to demonstrate Meaningful Use. Starting in 2014, regardless of what stage of meaningful use an EP is in, all participants will choose from the same uniform list of CQMs. **Participants will choose from two CQM reporting options**.

**Option 1** requires EPs to report on 9 of 64 total CQMs. All providers must select CQMs from at least 3 of the 6 key health care policy domains recommended by the Department of Health and Human Services’ (HHS) National Quality Strategy:

1. Patient and Family Engagement

2. Patient Safety

3. Care Coordination

4. Population and Public Health

5. Efficient Use of Healthcare Resources

6. Clinical Processes/Effectiveness

CMS will not require reporting of a core set of CQMs, however, two recommended core sets; one for adults and one for children have been identified. CMS encourages EPs to report on the recommended core sets to the extent those CQMs are applicable to the EPs scope of practice and patient population.

**Option 2** allows EPs to submit and satisfy the CQM reporting component of meaningful use by reporting Physician Quality Reporting System (PQRS) CQMs through the PQRS EHR reporting option.

**In comments on the proposed rule, the Academy requested CMS offer EPs two options to report CQMs, including choosing from a list of finalized measures and reporting through PQRS. Although the Academy requested a lower number of required measures to report, the Academy is concerned the number of CQMs, along with the finalized list, make it difficult for Otolaryngologists to report measures.**

Starting in 2014, all Medicare-EPs beyond their first year of demonstrating meaningful use must electronically report their CQM data to CMS. They will be able electronically to report using PQRS (which will qualify them for EHR and PQRS requirements) or via a CMS-designated transmission method—Electronic submission of aggregate-level data in Quality Reporting Data Architecture (QRDA) Category III format.

**Groups Reporting CQMs**

**CMS allows for two group reporting options for the reporting of CQMs:**

1. Medicare EPs participating in Accountable Care Organization (ACO) Program can satisfy their clinical quality measures reporting as a group. Although ACOs do not require EHRs, all data must be extracted from EHRs to qualify. All EPs must still individually satisfy meaningful use objectives.
2. Medicare EPs that successfully report PQRS clinical measures using EHR technology would satisfy their clinical quality measures reporting as a group. EPs that use this group reporting measure would be required to comply with all future PQRS changes. All EPs must still individually satisfy meaningful use objectives.

**The Academy is supportive of efforts by CMS to more closely align Meaningful Use requirements with other CMS programs, such as the ACO program and PQRS.**

**Penalties for not Meeting Meaningful Use**

**Beginning in 2015, EPs that do not successfully meet meaningful use requirements will be subject to a payment penalty**. Like the PQRS program, penalties for each calendar year, which begin in 2015, and are based on reporting two years prior (e.g. 2015 penalty is based on whether or not an EP successfully reported in 2013). This penalty will increase annually for EPs that do not successfully attest to Meaningful Use.

The chart below shows penalties for EPs that do not attest to meaningful use for future calendar years, assuming more than 75 percent of all EPs nationally are successful meaningful users by 2018.

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| --- |
| **% PENALTY ASSUMING MORE THAN 75 PERCENT OF ALL EPs****NATIONALLY ARE SUCCESSFUL MEANINGFUL USERS** |
|  | **2015** (based on 2013) | **2016**  (based on 2014) | **2017**  (based on 2015) | **2018**  (based on 2016) | **2019**  (based on 2017) | **2020+** |
| **Successful****eRx in 2012** | -1% | -2% | -3% | -3% / -4% | -3% | -3% |
| **Subject to eRx penalty in 2014** | -2% | -2% | -3% | -3% | -3% | -3% |

If less than 75 percent of all eligible physicians nationally are successful meaningful users, CMS will increase penalty amounts by 2 percent, starting in 2018. CMS will determine the penalty amount based upon the most recent year data is available.

|  |
| --- |
| **% PENALTY ASSUMING LESS THAN 75 PERCENT OF EPs NATIONALLY ARE SUCCESSFUL MEANINGFUL USERS** |
|  | **2015** (based on 2013) | **2016** (based on 2014) | **2017** (based on 2015) | **2018** (based on 2016) | **2019** (based on 2017) | **2020+** |
| **Successful eRx in 2012** | -1% | -2% | -3% | -4% | -5% | -5% |
| **Subject to eRx penalty in 2014** | -2% | -2% | -3% | -4% | -5% | -5% |

**According to a report by the Government Accountability Office (GAO), only 9 percent of all EPs were successful in attesting to Meaningful Use, and received incentive payments, in 2011. The Academy is concerned the 75 percent threshold is too high and will result in increased payment penalties for physicians.**

**Changes to Stage 1 Included in Stage 2 Final Rule**

In the Stage 2 final rule, CMS issued several changes to Stage 1 criteria scheduled to take place in the next few years, with some changes being optional in 2013, and all changes taking place in 2014. **In the comments submitted to CMS on Stage 1, the Academy expressed concerns about the high thresholds necessary for EPs to successfully achieve meaningful use, and although these changes seek to help EPs meet the reporting criteria, the thresholds remain too high for many EPs.**

1. **Changes to Stage 1 Core Objectives**

**Computerized Provider Order Entry (CPOE):** Beginning in 2013, CMS is adding an optional alternate measure to the objective for computerized provider order entry (CPOE). The current measure for CPOE is based on the number of unique patients with a medication in their medication list that was entered using CPOE. The new, alternate measure is based on the total number of medication orders created during the EHR reporting period. This alternative reporting measure is **REQUIRED** in Stage 2.

**Electronic Prescribing (eRx):** Beginning in 2013, CMS is adding an additional exclusion to the objective for electronic prescribing for providers who are not within a 10 mile radius of a pharmacy that accepts electronic prescriptions.

**Record and Chart Vital Signs:** Optional in 2013, and mandatory in 2014, this new measure amends the age limit to recording blood pressure for patients ages 3 and older,and height and weight for patients of all ages. There are also new exclusions for EPs that do not see patients over age 3, if height and weight or blood pressure are not relevant to their scope, or if all three are not relevant to their scope of practice.

**Reporting Clinical Quality Measures:** CMS is removing the standalone objective from Stage 1 that requires providers to attest that they plan to report on clinical quality measures (CQMs) because it is redundant. Providers still must report clinical quality measures to achieve meaningful use as part of the CQM requirements.

**Electronic Copy of, and Access to, Health Information:** In 2014, EPs must provide more than 50 percent of all unique patients the ability to view online, download, and transmit their health information within 4 business days of the information being available to the EP.

**Public Health Reporting Objectives:** Beginning in 2013, all of the Stage 1 public health objectives (submitting data to an immunization registry, submitting data to a syndromic surveillance database, or submitting reportable lab results to a public health agency) will require that providers perform at least one test of their Certified EHR Technology’s capability to send data to public health agencies, except where prohibited.

1. **Changes to Stage 1 Menu Objective Reporting**

Starting in 2014, EPs will no longer be able to claim an exclusion from reporting a menu objective if there are other menu objectives they can meet and report on. EPs will not be penalized for selecting a menu objective and claiming the exclusion if they would also qualify for the exclusions for all the remaining menu objectives.

For questions about changes to EHR Meaningful Use Stage 2, contact HealthPolicy@entnet.org.