Stimulus funding for EMR:

How to get your share

Lattimore, Black, Morgan and Cain

There is good news on the economic horizon for physicians: The federal government has finally laid out a strong outline of the path that physician practices can follow to collect stimulus money for setting up an electronic medical records system.

At $44,000 per doctor in most cases, the payments are welcome news. But before celebrating too much, practices should be aware that it is a long and winding road to payment and that to collect, they must devote a great deal of planning not just to purchase and implementation, but also to hitting performance milestones. A little later in this article, we will provide tips on how to go about that planning.

The performance milestones are called "meaningful use" standards and there are 25 of them for physicians, with graduated performance goals for 2011, 2013 and 2015. Doctors will be required to reach standards for e-prescribing, computerized order entry, electronic reporting of quality measures and patient communication among others.

The government is following a carrot and stick approach because if physicians don't ultimately get with the program they will face lower Medicare reimbursement schedules starting in 2015.

While the standards were not absolutely finalized as of the deadline for this article, they were expected to be close to a version submitted for public comment in January. Here are some examples of what those proposed standards would require physicians to do in Stage 1, which has to be completed by the end of 2012.

E-prescribing: At least 75 percent of all permissible prescriptions be transmitted using certified electronic health records technology.

Computerized order entry: Used for at least 80 percent of all orders.

Quality measures: Generate at least one report listing patients of the physician with a specific condition.

For Stages 2 and 3, which occur in 2013 and 2015, standards grow tighter.

Here are some best practices physicians can use for meeting the federal requirements and making sure they receive the payments and have an EMR system that serves them and their patients:

Build a project plan

It is vital that practices create a project plan to guide what will amount to be a four- to five-year process. Without a project plan it will be difficult to insure that the system matches well with practice needs, is cost-efficient and ultimately qualifies for stimulus money. The plan should lay out:

- A process for determining practice requirements for an EMR system.
- A procurement process – how to identify vendor offerings that match up with requirements and how to review those offerings.
- A budget that includes not only hardware and software costs, but training expenses and potential staff costs and consultant fees.
- A financing plan to bridge the gap between the upfront outlays to purchase and implement the system and the ultimate payments from the federal government, which come in arrears.
- A compliance process to make sure federal requirements are being met. (More about that a little later.)

Have the right people on the team

It will be very difficult for any one person to purchase a system, oversee its implementation and make sure it is compliant. Best practices suggest a team including the IT leader for the practice, someone from the medical records staff, the practice manager and at least one physician champion. The makeup of the team will, of course, vary with the size and complexity of the practice.

The physician champion is particularly important to insure buy-in by all the other doctors. Without that, there is substantial risk that the system will not be used properly.

Practices may also wish to consider having a consulting partner on the team. A practice may not have anyone on staff with experience in purchasing and implementing an EMR system and may not have anyone with a background in managing a complex IT project. Previous experience can save time and money and assure compliance.

Buy the right system

Careful consideration in establishing requirements is key. Among issues to consider:

- Does the system match up with the requirements of your specialty? Pediatricians, for example, need a system that can help them generate health letters for school activities and sports. Orthopedists need a system that can read scans.
- Does the system match your workflow? Different doctors may wish to input information differently. Some may wish to use a laptop in the exam room, others may want to use voice-recognition software and still others may wish to continue writing notes on paper and have someone else enter them into the system. Different systems have different capabilities.
- Is the EMR system compatible with your practice management system? The two need to communicate seamlessly. While they need not come from the same vendor, practices need to be sure that they can integrate. If a legacy practice management system ultimately cannot be integrated with an EMR, extremely careful planning will be needed to install two new systems. (It would be inadvisable to attempt both at the same time.)
- Does the system meet federal requirements? If it is not certified, it will not be eligible for reimbursement.

Implement the system in a timely fashion

If a practice has not begun the process of acquiring an EMR system it needs to do so immediately. To obtain full reimbursement, systems can begin meeting federal requirements starting in the fourth quarter of 2011, and must have the first stage requirements completed by the end of 2012. Systems typically take from 12 to 24 months to put in place, which means that even if they begin right now, practices will be cutting it close.

Here are some of the major components of the process and the time they might take:

- Buying a system: The procurement process can easily take six months. Requirements have to be established and matched with vendor offerings, demos conducted, terms negotiated.

- Implementing the system: It often takes 3 months from contract signing until a vendor begins work. Setup time can take another three months. This time frame may be stretched even further if vendors develop a backlog.
- Rolling doctors onto the system: Except for extremely small practices, it is generally inadvisable to have all doctors begin using the system at once. Gradual roll-on allows kinks to be worked out. Roll-ons may have to be phased in over the course of months, especially for larger practices.
- Testing compliance: The first reimbursement benchmark is that Stage 1 milestones have to be met for 90 consecutive days no later than the end of 2012. To insure meeting that milestone, practices ought to begin monthly testing six to nine months before. An example of an issue commonly discovered in testing: inconsistent physician of system features.

Practices that already have a system in place and are just upgrading are likely, of course, to need less time.

Employ a process to verify compliance

For Stage 1, all the federal government will require for reimbursement is that the practice attest that requirements have been met. Audits, however, are virtually inevitable and the last thing any practice wants is a bad audit after receiving a government check. Therefore it is critical that a rigorous process be put in place to insure that the system really does comply.

While that can be done in-house, best practices suggest third-party verification. Third parties bring established testing procedures to the table and experience in identifying common problem areas. In addition, some financial institutions have suggested that they will require third-party attestation to issue purchase financing.

In summary

The stimulus program offers a wonderful opportunity for physician practices to obtain financial incentives to implement EMR, but, as with many government programs, the process is complex. A detailed project plan, thoughtfully implemented by a well-chosen team, is critical to success.

LATTIMORE BLACK MORGAN & CAIN, PC
CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS