

Stimulus Bill American Recovery and Reinvestment Act of 2009

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Electronic Health Record Mandated for every American by 2014

Provides funding for
meaningful users

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Electronic Health Record

Must be certified - HHS to define by September 30,
2010 with help from Certification Commission of
Healthcare Information Technology (www.cchit.org)

Must provide electronic exchange - sharing of health
information

Report clinical quality and other measures

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CAH Funding

- Step 1 - Determine Medicare and Medicare Advantage inpatient acute care days
- Step 2 - Determine total inpatient acute care days
- Step 3 - Determine charity care revenue as percent of total revenue

Medicare reimbursement percentage = Medicare and Medicare Advantage inpatient acute care days / ((total inpatient acute care days * (1- charity care percentage))) plus 20%
(may not exceed 100%)

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CAH Funding

- Step 1 - Medicare and Medicare Advantage inpatient acute care days = 750
- Step 2 - total inpatient acute care days = 1,000
- Step 3 - charity care revenue = \$50,000
total revenue = \$1,000,000

Medicare reimbursement percentage = $750 / (1,000 * (1 - (50,000 / 1,000,000)))$ plus 20%

98.95%

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CAH Funding – cost reporting periods beginning on or after October 1, 2010

Medicare Reimbursement Percent applied against:

- Capital cost of qualified EHR purchased in cost reporting years beginning on or after October 1, 2010 –plus-
- Un-depreciated qualifying EHR cost carried over from prior cost reporting periods

May request interim payment from CMS at start of cost report period beginning on or after October 1, 2010

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CAH Funding – subsequent cost reporting periods beginning on or after October 1, 2011 and before September 30, 2014

Medicare Reimbursement Percent applied against

Capital cost of qualified EHR purchased during these time periods

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CAH Funding – hospital cost reporting period beginning on or after October 1, 2014

Medicare Reimbursement Percent applied against:

Capital cost of qualified EHR purchased during period only if EHR purchase began in hospital cost report periods beginning on or after October 1, 2011 or later (four year maximum)

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CAH Funding - hospital cost report period beginning on or after October 1, 2010

Medicare Reimbursement Percent 98.95%

Un-depreciated qualifying EHR cost carried cost of \$500,000 less \$100,000 depreciation taken equals \$400,000

Capital cost of qualified EHR purchased during period - \$500,000

\$890,550

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CAH Funding – hospital cost report periods beginning on or after October 1, 2011 and before September 30, 2014

Medicare Reimbursement Percent - 98.95%
(may change from year to year)

Capital cost of qualified EHR purchased during
these periods - \$100,000

\$98,950 each year

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CAH Funding – All Years

Non-capital cost is run through the Medicare
cost report and paid based on normal cost-
based reimbursement which may be fairly
small if the CAH has services that are not
cost-based reimbursed like a nursing home

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PPS Hospital Funding

Medicare reimbursement percentage = CAH
Medicare reimbursement Percentage without
20% add-on

Maximum base amount \$2,000,000

Not based on Cost!

Additional \$200 added to maximum base
amount for each discharge between 1,150 and
23,000

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PPS Hospital Funding
Qualified for the periods from October 1,
2010 to September 30, 2013

- Year 1 - Maximum base amount * Medicare Reimbursement Percentage * 100%
- Year 2 - Maximum base amount * Medicare Reimbursement Percentage * 75%
- Year 3 - Maximum base amount * Medicare Reimbursement Percentage * 50%
- Year 4 - Maximum base amount * Medicare Reimbursement Percentage * 25%

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PPS Hospital Funding
Qualified on or after October 1, 2013

- Year 1 - Maximum base amount * Medicare Reimbursement Percentage * 75%
- Year 2 - Maximum base amount * Medicare Reimbursement Percentage * 50%
- Year 3 - Maximum base amount * Medicare Reimbursement Percentage * 25%
- Year 4 - Maximum base amount * Medicare Reimbursement Percentage * 0%

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PPS Hospital Funding
Qualified on or after October 1, 2014

- Year 1 - Maximum base amount * Medicare Reimbursement Percentage * 50%
- Year 2 - Maximum base amount * Medicare Reimbursement Percentage * 25%
- Year 3 - Maximum base amount * Medicare Reimbursement Percentage * 0%
- Year 4 - Maximum base amount * Medicare Reimbursement Percentage * 0%

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Practitioner Funding

75% add-on to Medicare fee scale for calendar year 2011 to 2014 up to annual maximum

10% added to annual maximum if in geographic HPSA

Hospital services excluded

Calendar year annual maximum:

2011 and 2012 - \$44,000

2013 - \$41,000

2014 - \$26,000

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Provider-Based RHC Funding

Included with provider

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Freestanding RHC/FQHC Funding

May obtain funding from Medicaid if Medicaid + charity care + sliding fee scale > 30%

May not Request Medicare funding

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Freestanding RHC/FQHC Funding

We do not find any provisions in the Stimulus Bill that provides for Medicare RHC and FQHC funding.

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For Cost Report Years beginning on or after October 1, 2014 and Other Providers after December 31, 2014 – Penalties if Not in Compliance

Reductions in Medicare reimbursement for all types of providers

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Any Questions?

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