



FQHCs Finding Meaning in Meaningful Use

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Although federally qualified health centers (FQHCs) and rural health clinics (RHCs) are not eligible at the organizational level for the Medicare and Medicaid Electronic Health Record (EHR) Meaningful Use (MU) incentives, certain providers within those facilities may qualify. Providers practicing at FQHCs or RHCs are eligible for the Medicaid program if they meet the case-mix requirements. Some providers may qualify for Medicare incentives for services billed under the Medicare Physician Fee Schedule (PFS).

Medicare eligible professionals (EPs) who demonstrate meaningful use of certified EHR technology for calendar years 2011 through 2016 can receive up to \$44,000 over five years under the Medicare EHR Incentive Program. To receive the maximum EHR incentive payment, Medicare EPs must begin participation in the EHR MU incentive program by 2012. For 2015 and later, Medicare EPs not successfully demonstrating meaningful use will have a payment adjustment to their Medicare reimbursement. The payment reduction starts at 1 percent and increases each year a Medicare EP does not demonstrate meaningful use, to a maximum of 5 percent.

Since FQHCs and RHCs are not eligible to receive the incentives, these organizations will not be subject to a Medicare fee reduction or penalty at the institutional level for nonadoption of an EHR.

The Medicaid EHR Incentive Program is administered voluntarily by states and offered to EPs as early as 2011 and continuing through 2021. EPs can participate for six years throughout the duration of the program. The last year to begin participation in the Medicaid EHR Incentive Program is 2016. EPs must meet the Medicaid patient volume requirements—at least 20 percent for pediatricians and at least 30 percent for all other health professionals—for a 90-day period. Medicaid EPs can receive up to \$63,750 over six years under the Medicaid EHR incentive program for calendar years 2011 through 2021. Medicaid EPs practicing at FQHCs/RHCs must show more than 50 percent of their clinical encounters occurred at an FQHC/RHC over a six-month period and that a minimum of 30 percent of their patient volume came from needy individuals.

The criteria for MU will be staged in three steps over the next five years. Stage 1 (2011–12) sets the baseline for electronic data capture and information sharing. Stage 2 (expected to be implemented in 2013) and Stage 3 (expected to be implemented in 2015) will expand on this baseline and be developed through future rulemaking. MU requirements include a core and menu objectives specific to EPs or eligible hospitals and critical access hospitals. There are a total of 25 MU objectives for EPs. To qualify for an incentive payment, 20 of these 25 objectives must be met. Of the 25 objectives, 15 are required core objectives; the remaining five objectives can be selected from a list of 10 menu objectives.

There are many questions you should consider if your EPs plan to take part in the EHR MU incentive programs. Are your EPs:

- Using certified EHR technology?
- Enrolled in the Physician Enrollment Chain and Ownership System?
- Registered online to participate in the Medicare EHR Incentive Program?
- Successfully demonstrating MU for each required reporting period (90 days in the first year, full calendar year for subsequent years) of participation?
- Medicare EPs who predominantly furnish services in a designated Health Professional Shortage Area?
- Planning to switch back and forth between the Medicare and Medicaid EHR incentive programs?
- Planning to assign their payments to another entity, *e.g.*, a group practice, if they so choose?

Additional details and key dates related to EHR MU incentives can be found at the [CMS website](#) and with your respective state Regional Extension Center (REC). RECs provide education, outreach and technical assistance to help providers in their geographic service area select, successfully implement and meaningfully use certified EHR technology to improve the quality and value of health care.

If you need further guidance or assistance, please contact your BKD advisor, Mike Schnake at mschnake@bkd.com or Jeff Allen at jeallen@bkd.com.

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