

August 18, 2011: The Wisconsin Medicaid EHR Incentive Program will not be communicating qualification under patient volume requirements through secure Portal messaging. Page 3 has been revised to reflect this change. When completing the Wisconsin Medicaid EHR Incentive Program application, Eligible Hospitals will need to enter a “zero” in the space labeled “Other Medicaid Discharges (Other Numerator)” instead of a blank. Page 4 has been revised to reflect this change. The Online Handbook has not yet been revised to include the information in this *Update*.



Update

July 2011

No. 2011-39

Affected Programs: BadgerCare Plus, Medicaid

To: Hospital Providers, HMOs and Other Managed Care Programs

The Wisconsin Medicaid Electronic Health Record Incentive Program for Eligible Hospitals

This *ForwardHealth Update* introduces the Wisconsin Medicaid Electronic Health Record Incentive Program for Eligible Hospitals.

The Electronic Health Record (EHR) Incentive Program was established under the American Recovery and Reinvestment Act of 2009, also known as the Stimulus Bill, to encourage eligible health care professionals and hospitals to adopt and show meaningful use of certified EHR technology.

Under the federal law, Medicare and Medicaid have separate EHR incentive programs. Acute care and critical access hospitals (CAH) may participate in both the Wisconsin Medicaid EHR Incentive Program and the Medicare EHR Incentive Program. Children's hospitals may only participate in the Wisconsin Medicaid EHR Incentive Program. All hospitals must be Wisconsin Medicaid certified to participate in the Wisconsin Medicaid EHR Incentive Program.

Acute care and CAHs are required to have an average length of stay for patients of 25 days or less and have a Centers for Medicare and Medicaid Services (CMS) Certification Number (CCN) that has the last four digits in the series of 0001-0879 or 1300-1399.

Children's hospitals are required to be classified by CMS as a children's hospital, either as a free standing hospital or as a hospital within a hospital and have a CCN in the series of 3300-3399.

Beginning August 1, 2011, Eligible Hospitals may register with the Medicare and Medicaid EHR Incentive Program Registration and Attestation System, to be referred to as the R&A in this *ForwardHealth Update*. Beginning August 22, 2011, Eligible Hospitals may begin to apply with the Wisconsin Medicaid EHR Incentive Program. All Wisconsin Medicaid EHR Incentive Program applications will be submitted through the secure Provider area of the ForwardHealth Portal. Eligible Hospitals will be able to assign the new "EHR Incentive" clerk role on the Portal, beginning August 1, 2011.

Eligible Hospitals should note that if they choose to participate in the Wisconsin Medicaid EHR Incentive Program and want to receive payment for federal fiscal year (FFY) 2011, Eligible Hospitals must complete and submit an application by September 30, 2011. Applications completed and submitted on and after October 1, 2011, are considered applications for FFY 2012.

Payments to Eligible Hospitals will be made within 45 days of the approval of a Wisconsin Medicaid EHR Incentive Program application. Eligible Hospitals who meet all of the requirements may receive an incentive payment once per FFY. Providers are required to wait at least 90 days between submitting applications for the Wisconsin Medicaid EHR Incentive Program for different FFYs.

The Wisconsin Medicaid EHR Incentive Program will be available for Eligible Hospitals from 2011 until 2018;

although September 30, 2015, is the last date Eligible Hospitals may initiate participation in the Wisconsin Medicaid EHR Incentive Program. Eligible Hospitals may participate in the program for up to three years.

The Wisconsin Medicaid EHR Incentive Program payment years are defined by federal regulation as the FFY. Payment years are based on the FFY with the fiscal year beginning on October 1 of the prior calendar year and extending to September 30 of the relevant year. Payment years are constructed in the following way:

- First payment year: Eligible Hospitals only participating in the Wisconsin Medicaid EHR Incentive Program are required to attest to adopting, implementing, or upgrading certified EHR technology. If the Eligible Hospital participates in both the Medicare EHR Incentive Program and the Wisconsin Medicaid EHR Incentive Program and demonstrates “meaningful use” to CMS, the Eligible Hospital must also attest to “meaningful use” to the Wisconsin Medicaid EHR Incentive Program.
- Second payment year: Eligible Hospitals are required to demonstrate “meaningful use” of certified EHR technology during any 90-day continuous period, known as the EHR reporting period, during the payment year.
- Third payment year: Eligible Hospitals are required to demonstrate “meaningful use” of certified EHR technology for the entire payment year (FFY).

Eligible Hospitals should note that prior to October 1, 2016, Eligible Hospitals are not required to participate in consecutive years for the Wisconsin Medicaid EHR Incentive Program. However, on and after October 1, 2016, Eligible Hospitals must participate in consecutive years and must have received at least one payment before October 1, 2016. For example, an Eligible Hospital may apply and complete all requirements for the first year in 2011 and receive a payment but then wait until 2013 to demonstrate “meaningful use” during a 90-day continuous period for the second payment year.

All information submitted on the Wisconsin Medicaid EHR Incentive Program application is subject to audit at any time.

Information on the Wisconsin Medicaid EHR Incentive Program can be found on the Wisconsin Medicaid Electronic Health Record Incentive Program Web site at www.dhs.wisconsin.gov/ehrincentive/.

Eligible Hospitals should look for future *Updates* regarding more detailed information for the Wisconsin Medicaid EHR Incentive Program for upcoming payment years. A separate *Update* will be issued for Eligible Professionals.

Registration for the Electronic Health Record Incentive Program with Centers for Medicare and Medicaid Services

All Eligible Hospitals are required to first register on the R&A Web site at <https://ehrincentives.cms.gov/hitech/login.action>. Eligible Hospitals may register as one of the following:

- Medicaid only.
- Medicare only.
- Medicare and Medicaid (except children’s hospitals).

Eligible Hospitals may begin to register on the R&A beginning August 1, 2011.

Eligible Hospitals should note that if they plan to participate in both the Medicare and Medicaid EHR Programs, they should register with CMS for both programs. A step-by-step walkthrough of the R&A registration process for Eligible Hospitals is available for download online at www.cms.gov/EHRIncentivePrograms/20_RegistrationandAttestation.asp.

After an Eligible Hospital successfully registers on the R&A, CMS will process the registration and send the file to the Wisconsin Medicaid EHR Incentive Program. After receipt of the file, the Wisconsin Medicaid EHR Incentive Program will enter all relevant information into the ForwardHealth system. Eligible Hospitals may apply for the Wisconsin Medicaid EHR Incentive Program beginning August 22, 2011. If an Eligible Hospital initiates registration on the

R&A on and after August 22, 2011, Eligible Hospitals must wait two full business days before beginning the application for the Wisconsin Medicaid EHR Incentive Program to allow for this process.

Applying for the Wisconsin Medicaid Electronic Health Record Program

A ForwardHealth Provider Portal account is required to apply for the Wisconsin Medicaid EHR Incentive Program. All applications must be completed via a secure Provider ForwardHealth Portal account. There is a link on the homepage of the secure Provider Portal in the “Quick Links” area called the “Wisconsin Medicaid EHR Incentive Program” that will take Eligible Hospitals to the application.

A new clerk role, “EHR Incentive,” will be available in the secure Provider area of the ForwardHealth Portal beginning August 1, 2011. The Portal Administrator for the account or an assigned clerk that has been assigned the “EHR Incentive” role may access and/or complete the Wisconsin Medicaid EHR Incentive Program application, beginning August 22, 2011. The Portal Administrator or assigned clerk should then access the link “Wisconsin Medicaid EHR Incentive Program” to begin the application process.

Required Information When Starting the Application

Eligible Hospitals will be requested to supply specific information when completing the application. Eligible Hospitals do not have to complete the entire application in one session. The application will allow users to save the information entered and return later to continue completing an application. Attachment 1 of this *Update* contains a detailed list of information Eligible Hospitals are required to have on hand in order to complete the application.

Patient Volume

Acute care and CAHs must have an eligible member patient volume of at least 10 percent of their total patient volume to be eligible for the Wisconsin Medicaid EHR Incentive Program. Children’s hospitals do not have any patient volume requirements. Refer to Attachment 2 for a definition

of eligible members. The formula that the Wisconsin Medicaid EHR Incentive Program will be using to determine the patient volume threshold is:

Eligible Member Discharges (in state) + Out-of-State Medicaid Discharges / Total Discharges All Lines of Business.

An eligible member patient encounter is defined as:

- Services rendered to an eligible member per inpatient discharges where Medicaid paid for part or all of the service.
- Services rendered to an eligible member per inpatient discharge where Medicaid paid for all or part of his or her premiums, copayments, and/or cost-sharing.
- Services rendered to an eligible member in an emergency department on any one day where Medicaid paid for part or all of the service.
- Services rendered to an eligible member in an emergency department on any one day where Medicaid paid for all or part of his or her premiums, copayments, and/or cost-sharing.

The Wisconsin Medicaid EHR Incentive Program only considers services provided to eligible members that are reimbursed with funding directly from Medicaid (Title XIX) as a patient encounter. Eligible Hospitals may be unable to determine where funding for eligible members comes from, so the Wisconsin Medicaid EHR Incentive Program will calculate the patient volume for hospitals based on claims discharge data submitted to ForwardHealth for eligible members and the total discharge data Wisconsin hospitals provide quarterly to the Wisconsin Hospital Association Information Center, LLC, pursuant to ch. 153, Wis. Stats.

The Wisconsin Medicaid EHR Incentive Program will analyze a Wisconsin hospital’s patient volume on a quarterly basis and communicate qualification under patient volume requirements and the FFY quarter the hospital qualified ~~through secure Portal messaging~~. The Wisconsin Medicaid EHR Incentive Program will calculate eligible member patient volume for all hospitals for the first quarter of each

FFY. Only those hospitals that do not meet the eligible member patient volume threshold in the first quarter will continue to have their patient volume analyzed for additional quarters of the year.

If an Eligible Hospital has met eligible member patient volume requirements, Eligible Hospitals will need to complete the Wisconsin Medicaid EHR Incentive Program application by entering the following information in this section of the application:

1. The hospital will need to enter the start date of the FFY quarter during which eligible member patient volume requirements were met (October 1, January 1, April 1, or July 1).
2. Enter in a “1” in the space labeled “Medicaid Discharges (in state Numerator),” ~~leave the space labeled~~ enter a “zero” in the space labeled “Other Medicaid Discharges (other Numerator),” ~~blank~~, and enter a “1” into the space labeled “Total Discharges: All Lines of Business (Denominator).”

Eligible member patient volume requirements are not applicable to children’s hospitals.

Hospital Incentive Payment Information

Eligible Hospitals will need to enter the following information for the Wisconsin Medicaid EHR Incentive Program to determine the payment amount:

- Four years worth of discharge data from the most recently submitted Medicare Cost Report period (supplied by the Eligible Hospital. Discharge Data for the current years (2010 and beyond) can be found on the most recently submitted Medicare Cost Report 2552-10, Worksheet S-3, Part 1, Column 15, line 14. Discharge Data from historical years (prior to 2010) can be found on Medicare Cost Report 2552-96, Worksheet S-3, Part 1, Column 15, line 12).
- Estimated eligible member inpatient bed days (supplied to the Eligible Hospital by the Wisconsin Medicaid EHR Incentive Program).

- Estimated eligible member managed care inpatient bed days (supplied to the Eligible Hospital by the Wisconsin Medicaid EHR Incentive Program).
- Estimated total inpatient bed days (supplied by the Eligible Hospital. Data can be found on the most recently submitted Medicare Cost Report Worksheet S-3, Part 1, Column 8, sum of lines 1 and 8-12).
- Estimated total charges (supplied by the Eligible Hospital. Data can be found on the most recently submitted Medicare Cost Report Worksheet C, Part 1, Column 8, line 200).
- Estimated total charity care charges (supplied by the Eligible Hospital. Data can be found on the most recently submitted Medicare Cost Report 2552-10, Worksheet S-10, line 20).

Note: Dual-eligible hospitals may not count patients in the numerator when calculating the Medicaid share if they would also be counted for purposes of calculating the Medicare share.

The Wisconsin Medicaid EHR Incentive Program will calculate the incentive payments for Eligible Hospitals using the data points listed above. For reference on how incentive payment calculations are made during the application process, refer to Attachment 3.

Attesting to Eligibility Standards

The Wisconsin Medicaid EHR Incentive Program application will require attestation for adopting, implementing, or upgrading certified EHR technology or the “meaningful use” of that certified EHR technology to determine eligibility for the Wisconsin Medicaid EHR Incentive Program. Eligible Hospitals must attest to adopt, implement, or upgrade or “meaningful use” of certified EHR technology based on the following conditions:

- Eligible Hospitals participating in both the Medicare and Medicaid EHR Incentive Programs will be required to attest to the “meaningful use” of their certified EHR technology if the Eligible Hospital has demonstrated “meaningful use” to CMS for their Medicare EHR Incentive Program application.

- Eligible Hospitals participating in only the Wisconsin Medicaid EHR Incentive Program (i.e., Eligible Hospitals not participating in both the Medicare and Medicaid EHR Incentive Program during the same payment year) must attest to adoption, implementation, or upgrade.

Meaningful Use of Certified Electronic Health Record Technology for Dual-Eligible Hospitals

Eligible Hospitals may participate in both the Medicare EHR Incentive Program and the Wisconsin Medicaid EHR Incentive Program. If the Eligible Hospital participates in both the Medicare EHR Incentive Program and the Wisconsin Medicaid EHR Incentive Program and demonstrates “meaningful use” to CMS, the Eligible Hospital must also attest to “meaningful use” to the Wisconsin Medicaid EHR Incentive Program. Eligible Hospitals do not need to demonstrate “meaningful use” to the Wisconsin Medicaid EHR Incentive Program as CMS will share the Eligible Hospital’s meaningful use information submitted to CMS with the Wisconsin Medicaid EHR Incentive Program.

While completing the “meaningful use” portion of the Wisconsin Medicaid EHR Incentive Program application, Eligible Hospitals will be required to provide the start date of the 90-day EHR reporting period in which they demonstrated “meaningful use” while registering at the R&A. The Wisconsin Medicaid EHR Incentive Program application will then calculate the ending date for this EHR reporting period and will ask all Eligible Hospitals to confirm this reporting period.

Adopting, Implementing, or Upgrading Certified Electronic Health Record Technology

For the first payment year of the Wisconsin Medicaid EHR Incentive Program, adopting, implementing or upgrading certified EHR technology is the only means through which Eligible Hospitals solely participating in the Wisconsin Medicaid EHR Incentive Program may receive payment.

Adoption, implementation, and upgrade are defined in the Final Rule (42 CFR s. 495.4). Eligible Hospitals do not have to demonstrate meaningful use in the first payment year. For more detailed information on meaningful use, please visit CMS’s Web site at www.cms.gov/EHRIncentivePrograms/30_Meaningful_Use.asp.

Adopting Electronic Health Record Technology

In order to qualify for a Wisconsin Medicaid EHR incentive payment under “adoption,” Eligible Hospitals are required to demonstrate acquisition, installation, or contractual proof of a future acquisition of certified EHR technology. All information is subject to audit at any time and must be maintained by the Eligible Hospital for a period of six years. If selected for audit, the applicant must be able to supply one of the following items:

- Receipt(s) for certified EHR technology. The receipt must match the products associated with the CMS EHR certification ID the applicant received from the Office of the National Coordinator’s (ONC’s) Certified Health IT Product List at onc-chpl.force.com/ehrcert and reported through the application process.
- A contract for certified EHR technology. The products listed in the contract must match the products associated with the CMS EHR certification ID the applicant received from ONC’s Certified Health IT Product List at onc-chpl.force.com/ehrcert and reported through the application process.

Additional documentation may be considered but must, at a minimum, identify the certified EHR technology adopted and indicate the certified EHR technology acquired or purchased.

Implementing Electronic Health Record Technology

In order to qualify for a Wisconsin Medicaid EHR incentive payment under “implementation,” Eligible Hospitals must meet the criteria for adopting certified EHR technology and demonstrate actual implementation, installation, or utilization of certified EHR technology. Examples of how to

demonstrate implementation of certified EHR technology include completing a workflow analysis and redesign, training staff to use the modules, and patient demographics and administrative data. All information is subject to audit at any time and must be maintained by the Eligible Hospital for a period of six years. If selected for audit, the applicant must be able to supply at least one document from each of the following lists.

List One:

- Receipt(s) for certified EHR technology. The receipt must match the products associated with the CMS EHR certification ID the applicant received from the ONC Certified Health IT Product List at onc-chpl.force.com/ehrcert and reported through the application process.
- A contract for certified EHR technology. The products in listed in the contract must match the products associated with the CMS EHR certification ID the applicant received from ONC's Certified Health IT Product List at onc-chpl.force.com/ehrcert and reported through the application process.

List Two:

- Maintenance agreement.
- Installation contract or receipts.
- System logs indentifying use of the certified technology and/or user license agreements.
- Evidence of cost, contract, or third-party certification of certified EHR technology training.

Additional documentation may be considered but must, at a minimum, identify the certified EHR technology implemented and indicate the certified EHR technology acquired or purchased.

If attesting to “implementation,” the Eligible Hospital will select from a list of implementation activities that are either “Planned” or “Completed.” Some examples of these activities include workflow analysis, workflow redesigns, software installations, hardware installations, peripheral installations.

Upgrading Electronic Health Record Technology

In order to qualify for a Wisconsin Medicaid EHR Incentive Program payment under “upgrade,” Eligible Hospitals must meet the criteria for adopting and implementing and demonstrate expansion of the certified EHR technology’s functionality such as the addition of an e-prescribing functionality or Computerized Physician Order Entry. All information is subject to audit at any time and must be maintained by the Eligible Hospital for a period of six years. If selected for audit, the applicant must be able to supply one of the following items:

- Receipt(s) for certified EHR technology. The receipt must match the products associated with the CMS EHR certification ID the applicant received from the ONC Certified Health IT Product List at onc-chpl.force.com/ehrcert and reported through the application process.
- Executed contract for certified EHR technology. The products in listed in the contract must match the products associated with the CMS EHR certification ID the applicant received from ONC's Certified Health IT Product List at onc-chpl.force.com/ehrcert and reported through the application process.

Additional documentation may be considered but must at a minimum identify the certified EHR technology upgraded and indicate the certified EHR technology acquired or purchased.

Reviewing, Confirming, and Submitting the Application

After completing the application, the Eligible Hospital will be asked to review all answers provided. An error-checking function will identify any errors found in the application.

Final submission will require an electronic signature by providing the authorized preparer’s initials, the hospital’s National Provider Identifier, and the hospital’s federal tax identification number. The preparer will also need to electronically sign the application before submission. Once the Wisconsin Medicaid EHR Incentive Program application

has been submitted, an e-mail notification will be sent to notify the Eligible Hospital of the status of their application. After an application is approved, Eligible Hospitals can expect payments within 45 calendar days.

Electronic Funds Transfer Required

All Eligible Hospitals are required to use an electronic funds transfer (EFT) when participating in the Wisconsin Medicaid EHR Incentive Program. An EFT allows ForwardHealth to directly deposit payments into the Eligible Hospital's designated bank account for a more efficient delivery of payments. Electronic funds transfers are secure, eliminate paper, and reduce the uncertainty of possible delays in mail delivery. Refer to the Electronic Funds Transfer User Guide on the References and Tools page of the Providers area of the ForwardHealth Portal for information on EFT enrollment.

Payment Distribution

Eligible Hospitals who meet all of the requirements will receive an incentive payment once per FFY. The Wisconsin Medicaid EHR Incentive Program will calculate the aggregate EHR incentive payment amount the first year of participation. Eligible Hospitals should note that they will receive one payment per CCN. The Wisconsin Medicaid EHR Incentive Program will distribute the hospital's Medicaid EHR incentive payment over three years in the following percentages:

- Year one of participation: 50 percent of the aggregate EHR incentive payment amount.
- Year two of participation: 40 percent of the aggregate EHR incentive payment amount.
- Year three of participation: 10 percent of the aggregate EHR incentive payment amount.

Remittance Advice Information

Eligible Hospitals will see changes to the Remittance Advice (RA) after implementation of the Wisconsin Medicaid EHR Incentive Program. The following information will help identify what has changed and will identify the specific codes used to distinguish the Wisconsin Medicaid EHR Incentive Program payments from all other ForwardHealth payments.

Financial Transactions Section

Eligible Hospitals will see the following information under the "Non-Claim Specific Payouts to Payee" section within the Financial Transactions page of the text (TXT) version of the RA as well as within Section 130 of the comma-separated value (CSV) downloadable file:

- All Wisconsin Medicaid EHR Incentive Program payments will appear under the "Non-Claim Specific Payouts to Payee" section of the RA.
- Amounts identified with the Reason Code 0247 will designate the amount as a Wisconsin Medicaid EHR Incentive Program payment.
- Amounts identified with the Reason Code 0248 will designate the amount as a Wisconsin Medicaid EHR Incentive Program positive adjustment.
- Payments reported in this section are processed and mean the same as any other ForwardHealth payment identified within this section.

Eligible Hospitals will see the following information on the "Accounts Receivable" section within the Financial Transactions page of the TXT version of the RA as well as within Section 150 of the CSV downloadable file:

- If a negative adjusting entry is required to adjust the original Wisconsin Medicaid EHR Incentive Program payment issued, an Accounts Receivable transaction will be generated to initiate the adjusting entry. All Wisconsin Medicaid EHR Incentive Program payment adjustments will be identified with the Reason Code 0265 (EHR Payment Adjustment). The Wisconsin Medicaid EHR Incentive Program payments are subject to recoupment as a result of any monies owed to ForwardHealth.
- The Wisconsin Medicaid EHR Incentive Program payment adjustments are processed and reported on the RA as they do today under the Accounts Receivable section.

Summary Section

The Earnings Data section on the Summary section of the TXT version of the RA and the Sections 160 (Summary Net Payments) and 180 (Summary Net Earnings) of the CSV

downloadable file will include the Wisconsin Medicaid EHR Incentive Program payments and adjustments reported on the Financial Transactions page. The process for calculating and reporting the net payments and earnings for the Summary section has not changed.

Appeals Process

Eligible Hospitals may appeal their Wisconsin Medicaid EHR Incentive Program eligibility determination or payment amounts.

Eligible Hospitals should look for future *Updates* regarding the Wisconsin Medicaid EHR Incentive Program appeals process.

Resources

Eligible Hospitals should call Provider Services at (800) 947-9627 with all questions regarding the Wisconsin Medicaid EHR Incentive Program.

User Guide

Wisconsin Medicaid EHR Incentive Program User Guides for Eligible Hospitals will be available by mid-August 2011 on the References and Tools page of the Provider area of the ForwardHealth Portal.

Other Resources

There are multiple additional resources available for Eligible Hospitals and staff regarding the different aspects of the Wisconsin Medicaid EHR Incentive Program. Refer to Attachment 4 for a complete list of available resources.

The *ForwardHealth Update* is the first source of program policy and billing information for providers.

Wisconsin Medicaid, BadgerCare Plus, SeniorCare, and Wisconsin Chronic Disease Program are administered by the Division of Health Care Access and Accountability, Wisconsin Department of Health Services (DHS). The Wisconsin Well Woman Program is administered by the Division of Public Health, Wisconsin DHS.

For questions, call Provider Services at (800) 947-9627 or visit our Web site at www.forwardhealth.wi.gov/.

P-1250

ATTACHMENT 1

What an Eligible Hospital Needs Before Applying for the Wisconsin Medicaid Electronic Health Record Incentive Program on the ForwardHealth Portal

Before applying for the Wisconsin Medicaid Electronic Health Record (EHR) Incentive Program on the ForwardHealth Portal, Eligible Hospitals will need the following:

1. Information submitted to the Centers of Medicare and Medicaid Services (CMS) EHR Incentive Program Registration and Attestation System. Eligible Hospitals will need to confirm this information during the initial application phases.
2. Contact name, telephone number, and e-mail address of the preparer of the Eligible Hospital's application.
3. Whether or not the applying Eligible Hospital is applying to the Wisconsin Medicaid EHR Incentive Program, has any sanctions or pending sanctions with the Medicare or Medicaid programs, and is licensed to practice in all states in which services are rendered.
4. The CMS EHR certification ID that can be obtained from the Office of the National Coordinator's Certified Health IT Product List Web site at onc-chpl.force.com/ehrcert/.
5. The start date of the hospital's federal fiscal year quarter the Eligible Hospital is planning on using as their start date for the patient volume attestation period.
6. Total eligible member discharges for the selected patient volume period.
7. Total discharges for all lines of business; this number is the denominator of the patient volume equation.
8. Hospital Payment Calculation Data. Refer to the section called, "Hospital Incentive Payment Information" for data points needed.
9. If solely participating in the Wisconsin Medicaid EHR Incentive Program, information to attest to either adopting, implementing, or upgrading certified EHR technologies. Hospitals not also participating in the Medicare EHR Incentive Program will not be able to attest to the "meaningful use".

ATTACHMENT 2

Members That May Be Counted When Determining Patient Volume

All members enrolled in the programs listed below are considered eligible members and may be counted when determining patient encounters and patient volume. Eligible members can be fee-for-service or enrolled in a state-contracted managed care organization:

- Wisconsin Medicaid.
- BadgerCare Plus Standard Plan.
- BadgerCare Plus Benchmark Plan.
- BadgerCare Plus Core Plan.
- BadgerCare Plus Express Enrollment for Pregnant Women.
- Alien Emergency Service Only.
- Tuberculosis-Related Service Only (TB-Only) Benefit.
- Family Planning Only Services.

ATTACHMENT 3

Wisconsin Medicaid Electronic Health Record Incentive Program Eligible Hospital Incentive Payment Calculation

The “Aggregate Wisconsin Medicaid EHR Hospital Incentive Program Payment Amount” calculation below determines the total incentive payment amount the hospital is eligible to receive over three payment years.

$$\text{Aggregate Wisconsin Medicaid EHR Hospital Incentive Payment Amount} = (\text{Overall EHR Amount}) * (\text{Medicaid Share})$$

$$\text{Overall EHR Amount} = \{ \text{Sum over 4 years of } [(\text{Base Amount} + \text{Discharge Related Amount Applicable for Each Year}) * \text{Transition Factor Applicable for Each Year}] \}$$

$$\text{Medicaid Share} = \{ (\text{Medicaid Inpatient Bed Days} + \text{Medicaid Managed Care Inpatient Bed Days}) / [(\text{Total Inpatient Bed Days}) * (\text{Estimated Total Charges} - \text{Charity Care Charges}) / (\text{Estimated Total Charges})] \}$$

Overall EHR Amount Calculation

The Wisconsin Medicaid Electronic Health Record (EHR) Incentive Program will calculate the hospital’s incentive payments using the calculation outlined by the Centers for Medicare and Medicaid Services.

The “Overall EHR Amount” is the sum of four years of [Base Amount + Discharge Related Amount applicable for each year] * Transition Factor applicable for each year].

Overall EHR Amount Components		
Data Input Name	Description	Source of Data
Base amount	\$2,000,000	Statute defined
Discharge related amount	\$200 * (the 1,150 th through the 23,000 th discharge is eligible for inclusion. For year one, use most recent year of data for subsequent years use discharges adjusted for the hospital’s average annual rate of growth for the most recent three years for which data is available per year).	Discharges from historical years (prior to 2010) will come from Medicare Cost Report – CMS 2552-96 Worksheet S-3 Part I, column 15, line 12. Discharges from current years (2010 and beyond) will come from Medicare Cost Report – CMS 2552-10 Worksheet S-3 Part I, column 15, line 14.
Transition factor	Year 1 = 1 Year 2 = 0.75	Statute defined

	Year 3 = 0.50	
	Year 4 = 0.25	

Discharge Related Amount Calculation

To determine the “discharge related amount,” Eligible Hospitals will need to calculate their average annual growth rate to be applied to the base year of discharges.

Sample Average Annual Growth Rate Calculation

Eligible Hospitals may find it useful to refer to this sample calculation:

- Hospital Fiscal Year 2010: 2,000 Base Year (BY).
- Hospital Fiscal Year 2009: 1,900 BY (-1).
- Hospital Fiscal Year 2008: 1,720 BY (-2).
- Hospital Fiscal Year 2007: 1,500 BY (-3).

Formula	Calculation	Annual Growth Rate
$(BY [-2] - BY [-3]) / BY (-3)$	$(1,720 - 1,500) / 1,500$	0.147
$(BY [-1] - BY [-2]) / BY (-2)$	$(1,900 - 1,700) / 1,720$	0.105
$(BY - BY [-1]) / BY (-1)$	$(2,000 - 1,900) / 1,900$	0.053

$$\text{Average Annual Growth Rate} = (0.147 + 0.105 + 0.053) / 3 = 0.102$$

Once the average annual growth rate is determined, it is applied to the most recent year’s discharges in order to determine the discharge related amount.

Discharge Related Amounts Applicable for Each Year

Discharges

Hospital Fiscal Year One (Y1) = 2,000 (base year)

Hospital Fiscal Year Two (Y2) = 2,000 (Y1) * 1.102 (average annual growth rate) = 2,204

Hospital Fiscal Year Three (Y3) = 2,204 (Y2) * 1.102 (average annual growth rate) = 2,429

Hospital Fiscal Year Four (Y4) = 2,429 (Y3) * 1.102 (average annual growth rate) = 2,677

Calculation: Hospital Fiscal Year X = 200 * (Discharge per Calculation Year X [Total Discharges less 1,149 with maximum value of 21,851*]) = Discharge Related Amount

Note: Only the 1,150th through the 23,000th discharge is eligible to be counted in the calculation of the Discharge Related Amount for each year.

Sample Discharge Related Amount Calculation

Hospital Fiscal Year One (Y1) = 200 * (2,000 – 1,149) = 170,200

Hospital Fiscal Year Two (Y2) = 200 * (2,204 – 1,149) = 211,000

Hospital Fiscal Year Three (Y3) = 200 * (2,429 – 1,149) = 256,000

Hospital Fiscal Year Four (Y4) = 200 * (2,677 – 1,149) = 305,600

After determining the discharge related amount, the transition factor and base amount need to be applied.

Sample Overall EHR Amount

Hospital Fiscal Year One (Y1) = (2,000,000 + 170,200) * 1 = \$2,170,200
 Hospital Fiscal Year Two (Y2) = (2,000,000 + 211,000) * 0.75 = \$2,170,200
 Hospital Fiscal Year Three (Y3) = (2,000,000 + 256,000) * 0.50 = \$1,128,000
 Hospital Fiscal Year Four (Y4) = (2,000,000 + 305,600) * 0.25 = \$576,400

Overall EHR Amount = Sum of all four years = **\$5,532,850**

Medicaid Share Calculation

Once Eligible Hospitals have determined what the “Overall EHR Amount” is for the hospital, they will have to calculate the “Medicaid Share.” For Eligible Hospitals to figure out what the total incentive payment will be, the “Overall EHR Amount” is multiplied by the Medicaid Share. To determine this amount, Eligible Hospitals should refer to this calculation:

$$\text{Medicaid Share} = \{(\text{Estimated Medicaid inpatient bed days} + \text{estimated Medicaid Managed Care inpatient days}) / [(\text{Estimated total inpatient bed days}) * (\text{Estimated total charges} - \text{charity care charges}) / (\text{Estimated total charges})]\}$$

Medicaid Share Components		
Data Input Name	Source of Data	Sample Data
Estimated Medicaid inpatient bed days*	Medicaid fee-for-service and managed care inpatient bed days for the Eligible Hospital’s cost reporting period. Wisconsin Medicaid will provide Eligible Hospitals this data.	7,000
Estimated total inpatient bed days	Medicare Cost Report CMS 2552-10 Worksheet S-3, Part 1, Column 8, sum of lines 8-12.	21,000
Estimated total charges	Medicare Cost Report CMS 2552-10 Worksheet C, Part 1, Column 8, line 200.	10,000,000
Charity Care Charges	Medicare Cost Report 2552-10, Worksheet S-10, column 3, line 20.	\$1,300,000

* Hospitals participating in both Medicare and Medicaid EHR Incentive Programs (Dual eligible hospitals):
 For the purpose of calculating the Medicaid share, a patient cannot be counted in the numerator if they would also count for purposes of calculating the Medicare share.

Sample Medicaid Share Calculation

$$\text{Medicaid Share} = (7000) / \{21,000 * (10,000,000 - 1,300,000) / 10,000,000\}$$

Medicaid Share = 0.38

Aggregate Wisconsin Medicaid EHR Hospital Incentive Payment Amounts — Sample Calculations

To figure out what the amounts of their Wisconsin Medicaid EHR Incentive Program incentive payments will be, they must calculate the Aggregate EHR Incentive Payment Amount. To determine this amount, Eligible Hospitals should refer to the following calculation.

Aggregate EHR Hospital Incentive Payment Amount = Overall EHR Amount * Medicaid Share

(Based on previous sample calculations)

Aggregate EHR Hospital Incentive Payment Amount = \$5,532,850 * 0.38 = \$2,102,483

The Wisconsin Medicaid EHR Incentive Program will distribute the Eligible Hospital's Medicaid EHR incentive payment over three years in the following percentages:

- Year one of participation: 50 percent of the aggregate EHR incentive payment amount.
- Year two of participations: 40 percent of the aggregate EHR incentive payment amount.
- Year three of participation: 10 percent of the aggregate EHR incentive payment amount.

Participation Year	Aggregate EHR Amount	Percentage	Payment Amount
Year One	\$2,102,483	50%	\$1,051,241.50
Year Two	\$2,102,483	40%	\$840,993.20
Year Three	\$2,102,483	10%	\$210,248.30

ATTACHMENT 4

Available Resources Regarding Wisconsin Medicaid Electronic Health Record Incentive Program

Available Resources	Contact Information
Provider Services	(800) 947-9627
<i>ForwardHealth Updates</i>	<i>www.forwardhealth.wi.gov/</i> (Publications page of Provider area of the ForwardHealth Portal)
Wisconsin Medicaid Electronic Health Records (EHR) Incentive Program User Guide	<i>www.forwardhealth.wi.gov/</i> (References and Tools page of Provider area of the Portal) Available mid-August 2011
Wisconsin Medicaid EHR Incentive Program Web site	<i>www.dhs.wisconsin.gov/ehrincentive/</i>
CMS EHR Incentive Program	<i>https://www.cms.gov/EHRIncentivePrograms/</i>