The Medicare and Medicaid Electronic Health Record Incentive Program – Stage 3 and Modifications to Meaningful Use in 2015 through 2017

Summary of Final Rules
Dec. 16, 2015

On Oct. 16, the Centers for Medicare and Medicaid Services (CMS) released a final rule that consolidates two previously-issued proposed rules: Medicare and Medicaid Programs; Electronic Health Record (EHR) Incentive Program Stage 3 – also known as the “Stage 3 Proposed Rule” and Medicare and Medicaid Programs; Electronic Health Record Incentive Program – Modifications to Meaningful Use in 2015 through 2017 – also known as the “EHR Incentive Programs in 2015 through 2017 Proposed Rule.” The combined rule implements a number of EHR Incentive Program changes. This summary provides an overview of the rule and the key changes for the meaningful use (MU) requirements for Stages 1, 2, and 3.

Key Points

- Beginning in 2018, eligible professionals (EPs), eligible hospitals (EHs), and critical access hospitals (CAHs) – regardless of their prior participation in the EHR Incentive Program – must satisfy the requirements, objectives, and measures for Stage 3.
- CMS has reduced the number of measures as part of moving all participants in both the Medicare and Medicaid incentive programs to uniform requirements in 2018.
- For MU modifications for 2015-2017, CMS adopted the proposed reporting period changes for both programs in 2015, 2016, and 2017, aligning with the calendar year (CY). All providers in 2015 and all new participants in 2016 and 2017 will have a 90-day reporting period. Some objectives and measures that were deemed redundant or topped out have been eliminated. CMS will continue to employ its methodology to determine which objectives and measures fall into this category through 2017. Additionally, the menu and core objectives concept has been eliminated, with CMS opting for a streamlined objective set for all.
- For Stage 3, CMS also finalized its proposed set of eight objectives and measures to align with other quality improvement programs, promote interoperability, and focus on the triple aim. They are:
  - Protect Patient Health Information (PHI)
  - Electronic Prescribing (eRx)
  - Clinical Decision Support (CDS)
  - Computerized Provider Order Entry (CPOE)
  - Patient Electronic Access to Health Information
  - Coordination of Care through Patient Engagement
  - Health Information Exchange (HIE)
  - Public Health and Clinical Data Registry Reporting
- For Stage 3, CMS finalized an optional 90-day reporting period. By 2018 however, reporting will be for a full year unless the provider is a first-year Medicaid incentive program participant.
- In 2015 through 2017, providers may still use 2014 Edition certified electronic health record technology (CEHRT) until 2018 when the 2015 Edition CEHRT is required. More specifically, in 2015, the 2014 Edition may be used; in 2016 and 2017, providers may use either 2014 or 2015 Edition, or a combination; by 2018, the 2015 Edition must be used.
**Meaningful Use Requirements, Objectives, and Measures**

Beginning in 2018, CMS will require all EPs, EHs, and CAHs – regardless of their prior participation in the EHR Incentive Program – to satisfy the requirements, objectives, and measures for Stage 3. However, for 2017, Stage 3 will be optional for providers. CMS believes this option would continue to advance the programs by allowing providers to attest to Stage 3 requirements, while still offering additional time for providers who may need to update, implement, and optimize the technology certified to the 2015 Edition. Providers who are seeking to demonstrate Stage 3 in 2017 cannot do so without the support of certain functions that are only available for certification as part of the 2015 Edition certification criteria. This means that for 2017, a provider must have at least a combination of EHR technology certified to the 2014 Edition and the 2015 Edition to participate in Stage 3.

Under the rule, providers have the option to meet the single set of objectives and measures for Modified Stage 2 for up to three years (2015 through 2017) prior to moving to Stage 3. Therefore, CMS removed the requirement that providers remain in each Stage for a set number of years.

**Meaningful Use Stages and Reporting and Aligning with Calendar Year**

CMS adopted the changes to the EHR reporting period for the Medicare and Medicaid EHR Incentive Programs in 2015, 2016, and 2017 and finalized the changes that align reporting periods to calendar year. CMS also finalized the proposal to adopt a 90-day reporting period for all providers in 2015 and new participants in 2016, and are finalizing a 90-day reporting period for new participants in 2017.

**Modifications Rule**

CMS finalized the proposal that aligns the EHR reporting period for EHs and CAHs with the calendar year beginning in 2015. For 2015 only, EHs and CAHs may begin an EHR reporting period as early as Oct. 1, 2014 and must end by Dec. 31, 2015. Beginning with 2016, the EHR reporting period must be completed within Jan. 1 and Dec. 31 of the CY.

CMS finalized their proposal to allow a 90-day EHR reporting period in 2015 for all providers to accommodate implementation of the other changes proposed in the rule. EPs may select an EHR reporting period of any continuous 90-day period from Jan. 1, 2015 through Dec. 31, 2015; EHs and CAHs may select an EHR reporting period of any continuous 90-day period from Oct. 1, 2014 through Dec. 31, 2015. CMS finalized a 90-day EHR reporting period in CY 2016 for EPs, EHs, and CAHs that have not successfully demonstrated MU in a prior year. For all providers who have successfully demonstrated MU in a prior year, we are finalizing an EHR reporting period of the full CY 2016.

**Stage 3**

For Stage 3, CMS will allow EPs, EHs, and CAHs to report on their use of MU activities over an entire 365-day period in 2015. As a result, this will allow EPs, EHs, and CAHs to report on their use of EHRs for any continuous 90-day period. It also transitions EHs and CAHs from an Oct. 1 through Sept. 30 reporting period to a CY reporting period to align with EPs. They also finalized the proposal to maintain the 90-day EHR reporting period for a provider’s first payment year based on MU for EPs and EHs participating in the Medicaid EHR Incentive Program for 2017 and subsequent years.

**Topped Out, Redundant, and Duplicative Measures**

For Stage 3, CMS adopted an approach to evaluate whether objectives and measures have become topped out and, if so, whether a particular objective or measure should be considered for removal from reporting requirements. CMS will use the following two criteria:

- Statistically indistinguishable performance at the 75th and 99th percentile
- Performance distribution curves at 25th, 50th, and 75th percentiles as compared to the required measure threshold.

CMS noted that the EHR Incentive Programs do not include a separate set of meaningful use objectives and measures for adult populations vs. pediatric populations. While certain measures may include specifications
related to age, CMS only collects summary-level data in the form of numerators and denominators. Therefore CMS is unable to compare performance on these measures for different patient populations. However, CMS indicated that the measures proposed for removal had significantly high performance, with providers in all specialties performing well above the required threshold.

**Electronic Versus Paper-based Objectives and Measures**

*Stage 3*

CMS finalized the proposal that paper-based formats will no longer be required or allowed for the purposes of the objectives and measures for Stage 3 of MU. However, in the final rule, CMS states that their policy to no longer require or allow providers to record and report paper-based actions does not imply that they do not support the continued use of paper-based materials in a practice setting. The policy no longer requires or allows providers to manually count and report on these paper-based exchanges. CMS also contends that paper-based formats are not necessary to populate information that CEHRT systems capture. CEHRT stores data in a structured format that allows patient information to be easily retrieved and transferred. The removal of paper-based actions is intended to support the discontinuation of manual paper-based calculation and chart abstraction.

**Modifications Rule**

CMS finalized as proposed the list of objectives and measures identified as redundant, duplicative, or topped out and will no longer require these objectives and measures for MU beginning with an EHR reporting period in 2015. Removal of measures from the EHR Incentive Programs is not intended as a withdrawal of endorsement for the use of the standards, the capture of the data, or the implementation of best practices, or to discourage providers from conducting and tracking the information for their own quality improvement goals.

**Reporting Periods**

In the final rule, CMS clarified the following policies for the 2017 reporting period:

- A provider who has technology certified to the 2015 Edition may attest to Stage 3 or to the modified Stage 2 requirements identified elsewhere in the rule.
- A provider who has technology certified to a combination of 2015 Edition and 2014 Edition may attest to (1) the modified Stage 2 requirements; or (2) potentially to the Stage 3 requirements if the mix of certified technologies would not prohibit them from meeting the Stage 3 measures.
- A provider who has technology certified to the 2014 Edition only may attest to the modified Stage 2 requirements and may not attest to Stage 3.

For EHR reporting periods in 2018, all providers must use technology certified to the 2015 Edition to meet Stage 3 requirements.

**Clinical Quality Measures for EPs**

CMS intends to continue their policy of establishing certain CQM requirements that apply for both the Medicare and Medicaid EHR Incentive Programs, including a common set of CQMs and the reporting period for CQMs. CMS intends to address CQM reporting requirement for the Medicare and Medicaid EHR Incentive Programs for EPs in the physician fee schedule rulemaking.

CMS finalized the proposal to require a CQM reporting period of one full calendar year for EPs participating in the Medicare and Medicaid EHR Incentive Programs starting in 2017. CMS is finalizing with modification the proposal of a limited exception for EPs demonstrating meaningful use for the first time under the Medicaid EHR Incentive Program. For these EPs, the reporting period for CQMs would be any continuous 90-day period within the CY, with the modification that it could be a different 90-day period than their EHR reporting period for the incentive payment under Medicaid.
**CQM Reporting Requirements for EHs and CAHs**

CMS intends to continue the policy of establishing certain CQM requirements that apply for both the Medicare and Medicaid EHR Incentive Programs, including a common set of CQMs and the reporting periods for CQMs. CMS intends to address CQM reporting requirements for the Medicare and Medicaid EHR Incentive Programs for EH and CAHs in the inpatient prospective payment systems rulemaking.

CMS is finalizing the proposal to require a reporting period of one full calendar year which consists of four quarterly data reporting periods starting in 2017 for EHs and CAHs participating in the Medicare and Medicaid EHR Incentive Programs. CMS finalized with modification the proposal of a limited exception for EHs and CAHs demonstrating MU for the first time under the Medicaid EHR Incentive Program. For these EHs and CAHs, the reporting period for CQMs would be any continuous 90-day period within the CY, with the modification that it could be a different 90-day period than their EHR reporting period for the incentive payment under Medicaid.

With respect to the reporting and attestation timeline, CMS requested comments on the following options:

**Whether the flexible option to attest to Stages 1 or 2 should be limited to only those providers who could not fully implement EHR technology certified to the 2015 Edition in 2017.**

Regarding flexible options related to Stage and Certification level in 2017, we agree with the rule as proposed which would allow providers to report at either Stage 1 or 2 (or potential Stage 2 modified) in 2017 regardless of whether they have fully implemented 2015 CEHRT. Implementing the technology is one step, but often requires additional time for supporting processes and workflows to be implemented. Limiting the flexibility in these years leading up to 2018 could present some of the same issues we realized in 2014 with technology availability/testing/implementation and measurement.

CHA has summarized the specific objectives and measures for both the [Stage 3 MU final rule](#) and the [Stage 2 modifications final rule](#).

In the charts, red text indicates new language or clarifications CMS provided in the final rules. Strikethrough text indicates deletions made by CMS. Objectives and measures that were finalized as proposed are also noted.

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