Electronic Health Record (EHR) Incentive Payment Calculation

OHCA PRN 2012-04

May 24, 2012

Hospital Administrators

This letter is to notify eligible hospitals about adjustments that may be necessary on second year hospital EHR incentive payments.

As you know, the Oklahoma Health Care Authority (OHCA) was early to adopt an EHR incentive payment program and began making payments in January 2011. As the program has progressed, OHCA has continued to work with the Centers for Medicare and Medicaid Services (CMS) to refine the EHR hospital incentive payment calculation and make necessary changes in order to be compliant with CMS regulations. OHCA has updated the calculation throughout the first year of the program, but many hospitals were paid prior to the implementation of changes.

The main issues that will be reviewed by OHCA prior to a second year payment are charity care (if using uncompensated care line from cost report, bad debt must be removed) and the inclusion of any unpaid inpatient bed days (unpaid days, including zero paid days, must be excluded). Due to clarifications from CMS, OHCA will review all second year hospital EHR incentive payments to determine if the calculation needs to be corrected. This will not impact all hospitals payments, but will impact many.

If your hospital will soon be attesting for a second year incentive payment, please be prepared to discuss these issues and to make changes if it is determined that the original calculation is incorrect. If you have any immediate questions, contact Aaron Morris at 405-522-7533.

Thank you for your continued service to Oklahoma's *SoonerCare* members.