



July 09, 2009 - Topic: Federal Stimulus Funding

Study: 45,000 Physicians Qualify for Medicaid IT Stimulus Funds

About 45,000 physicians nationwide will be eligible to receive up to \$63,750 each in Medicaid incentive payments over the next six years to adopt electronic health records, according to a study released Wednesday by the George Washington University School of Public Health and Health Services, *HealthLeaders Media* reports.

The federal economic stimulus law allocates about \$49 billion in increased Medicare and Medicaid payments for health care providers who demonstrate "meaningful use" of health IT. Of those funds, Medicaid could spend more than \$2.8 billion if all qualifying physicians apply and receive the maximum payout.

To receive the incentive payments, the 45,000 eligible physicians will need to demonstrate meaningful use of health IT for a patient base comprised of at least 30% Medicaid beneficiaries.

Physicians who practice at federally qualified health centers or rural health centers also can receive funds if 30% of their patients are classified as "needy." Such patients include Medicaid beneficiaries, those paying income-based, sliding-scale fees and others who cannot cover the costs of their medical care.

In addition, office-based pediatricians with a patient mix that includes at least 20% Medicaid patients could receive up to \$42,500.

The study estimates that about 16% of physicians currently have comprehensive EHRs, while 15% have partial systems.

Medicaid/Medicare Differences

The study also identified differences between the federal stimulus provisions for Medicaid and Medicare incentive payments.

First, the federal stimulus law makes Medicaid financing available upfront for physicians who lack sufficient funds to invest in EHR systems.

In addition, EHR implementation is optional instead of a requirement for state Medicaid programs.

Remaining Challenges

Although the federal stimulus package opened many doors for health IT, several challenges remain, including:

- Accelerating state adoption of the Medicaid incentives;
- Developing a strategy for long-term health IT financing;
- Devising a support system for physicians who fail to qualify for incentive payments;
- Finalizing a definition for meaningful use; and
- Promoting EHR interoperability (Commins, *HealthLeaders Media*, 7/8).

The [study is available](#) online (.pdf).