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ISSUE BRIEF

Hospital-Based Eligible Professionals

According to the Centers for Medicare and Medicaid Services (CMS), hospital-based Eligible Professionals (EPs) are not eligible for the Medicare or Medicaid incentive payments if at least 90 percent of their Medicare or Medicaid services are provided in an inpatient or emergency room setting.

The determination of whether an EP is a hospital-based EP shall be made on the basis of the site of service, as defined by the Secretary, without regard to any employment or billing arrangement between the EP and any other provider. In addition, hospital-based EPs are exempt from the downward payment adjustment to covered professional services provided during a payment year by EPs who are not meaningful EHR users for the relevant payment year beginning in 2015.

If an EP provides “substantially all” (90 percent or more) of his/her services in the hospital, CMS believes it is reasonable to assume that the EP is also using the facilities and equipment of the hospital, including any qualified EHR implemented by the hospital.

CMS will consider using place of service codes (i.e., 21–Inpatient hospital; 23–Emergency room, hospital) on physician claims to determine whether an EP furnishes substantially all of their professional services in a hospital setting and therefore is hospital-based.

To the extent practical, CMS intends to establish a process whereby the EP would know his/her hospital-based status during the EHR incentive program registration period. The agency plans to provide information to EPs regarding their hospital-based status as early as possible (that is, no later than early in each payment year). CMS will make a determination for Medicare incentive payment purposes, as to whether or not an EP is hospital-based by annually analyzing an EP’s claims history from the prior year.

However, in order to provide information regarding the hospital-based status of each EP at the beginning of each payment year, CMS will need to use claims data from an earlier period. Therefore, CMS will use claims data from the prior fiscal year (October through September). Under this approach, the hospital-based status of each EP would be reassessed each year, using claims data from the fiscal year preceding the payment year. The hospital-based status will be available for viewing beginning in January of each payment year.

For Medicaid purposes, State Medicaid agencies will make the determination about whether or not an EP is hospital-based by analyzing an EP’s Medicaid claims data, or in the case of EPs who deliver care via Medicaid managed care programs, by analyzing either encounter data or other equivalent data sources, at the State’s option. For purposes of making this determination, States would be permitted to use data either from the prior fiscal or calendar year.