

Demonstration Project Name Electronic Health Records Demonstration

Demonstration Type Upcoming Demonstration

Year 2008

Description CMS is developing a new demonstration initiative that aims to reward delivery of high-quality care supported by the adoption and use of electronic health records in physician practices. This initiative expands upon the foundation created by the Medicare Care Management Performance (MCMP) Demonstration. The goal of this 5-year demonstration is to foster the implementation and adoption of EHRs and health information technology (HIT) more broadly as effective vehicles not only to improve the quality of care provided, but also to transform the way medicine is practiced and delivered.

Electronic Health Records Demonstration Summary

The Secretary of the Department of Health and Human Services has directed the Centers for Medicare & Medicaid Services to develop a new demonstration initiative using Medicare waiver authority to reward the delivery of high-quality care supported by the adoption and use of electronic health records (EHR). The goal of this demonstration is to foster the implementation and adoption of EHRs and health information technology (HIT) more broadly as effective vehicles to improve the quality of care provided and transform the way medicine is practiced and delivered. Adoption of HIT has the potential to provide significant savings to the Medicare program and improve the quality of care rendered to Medicare beneficiaries. This demonstration is designed to leverage the combined forces of private and public payers to drive physician practices to widespread adoption and use of EHRs.

As part of this new demonstration, all participating primary care physician practices will be required to have a Certification Commission for Healthcare Information Technology (CCHIT)-certified EHR by the end of the second year. (CCHIT is the recognized certification

authority for EHRs and their networks.) Physician practices must, as part of the demonstration, be utilizing the EHR to perform specific minimum core functionalities that can positively impact patient care processes, (e.g., clinical documentation, ordering of lab tests, recording lab tests, and recording of prescriptions). However, the core incentive payment will be based on performance on the quality measures, with an enhanced bonus based on the degree of HIT functionality used to manage care.

The Electronic Health Record demonstration will be operational for a 5-year period. The first operational year of the demonstration will provide payments to participating practices based on CCHIT-certified EHR functionalities used to manage the care of patients, with higher payment for more sophisticated HIT use (e.g., use of the EHR to facilitate care management activities, sharing of records among providers of care, etc.). Payments will be determined by a practice's score on the Office Systems Survey (OSS), which will be administered annually to track the status of EHR implementation at the practice level, and the specific EHR functions employed by each participating practice to support the delivery of care. Higher scores on the OSS will result in increased incentive payments to participating practices.

During the second operational year of the demonstration, payments will be made to participating physician practices that are using CCHIT-certified EHRs and reporting clinical quality measures, again with additional payments based on EHR functionalities employed by the practice. During years 3 to 5 of the demonstration, payments to participating practices will be based on performance on the designated clinical quality measures, with an added bonus each year based on the degree to which the practice has used the EHR to change and improve the way it operates.

The Centers for Medicare & Medicaid Services (CMS) solicited partners interested in working with CMS to implement the Electronic Health Records (EHR) Demonstration in their communities. The role of the community partner is to assist CMS with outreach activities, education and recruitment of eligible primary care physician practices in their defined communities. Community partners will also collaborate with CMS on an ongoing basis in an effort to assist us in achieving our goal of leveraging the combined forces of private and public payers to drive physician practices to widespread adoption and use of EHRs. CMS sought strong organizational entities that have the necessary infrastructure and a clear commitment to advancing the adoption of EHRs and are capable of supporting CMS in these activities.

Status

On June 10, 2008 CMS announced the selection of 12 community partners in defined sites to help CMS implement this demonstration. The approved community partners in each site represent diverse collaborations of organizations including, but not limited to: varied HIT stakeholder collaborations, medical societies, primary care professional organizations and health departments.

The demonstration is being implemented in two phases. Phase I includes the following 4 sites: Louisiana, Southwest Pennsylvania, South Dakota (and some counties in bordering states), and Maryland and the District of Columbia. Recruitment of physician practices in the four Phase I sites was initiated on September 2, 2008, and the enrollment period closed on November 26, 2008. Over 800 applications were received from interested practices in the four Phase I sites. After reviewing them to confirm eligibility, approximately half of the practices will be randomly assigned to a control group and half to the treatment group. Treatment group practices will be eligible to earn incentives for the use of an EHR and for reporting and performance on clinical quality measures. Practices will be notified in March 2009 regarding which group they have been assigned to. Phase I demonstration operations will begin June 1, 2009.

Practice recruitment in the remaining 8 (Phase II) sites will occur late next summer and fall.

Contact

For additional information, please contact the following mailbox resource: EHR_Demo@cms.hhs.gov

Downloads

[Demonstration Summary \[PDF, 260 KB\]](#)

[Evaluation Summary \[PDF, 17 KB\]](#)

[Fact Sheet on Site Selection Announcement \[PDF, 34 KB\]](#)

[List of Community Partners by Site \[PDF, 20 KB\]](#)

[Transcript of April 23rd Open Door Forum \[PDF, 186 KB\]](#)

[Presentation Materials for Open Door Forum on April 23, 2008 \[PDF, 111 KB\]](#)

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Related Links Outside CMS

NEW! - Recruitment for practices located in the Phase 1 sites has now closed.

Click on the following links for information specific to your area:

[Louisiana](#)

[Maryland and Washington DC](#)

[Pennsylvania - Pittsburgh area](#)

[South Dakota - and selected counties in bordering states](#)

[Press Release \(June 10, 2008\)](#)

[Press Release \(October 30, 2007\)](#)

[Press Release \(February 20, 2008\)](#)